

RESERVED ON 7TH APRIL 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 9TH DAY OF JUNE, 2026



PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MR. JUSTICE C.M. POONACHA

COMMERCIAL APPEAL NO. 630 OF 2025

BETWEEN:

1. SRI M.J. PRADEEP KUMAR
S/O LATE M. JAYASHEELA SETTY
AGED ABOUT 55 YEARS
PARTNER OF M/S RAGHAVENDRA ENTERPRISES
HAVING ITS REGISTERED OFFICE
AT NO.1019/2, JAYALAKSHMI VILAS ROAD
CHAMARAJAPURAM
MYSURU - 570 001

...APPELLANT

(BY SRI ANAGHA NARASIMHA C.N., ADVOCATE FOR
SRI AJIT P.B., ADVOCATE)

AND:

1. SRI SRINIVASA KANTHARAJE URS V.S.
PROPRIETOR OF
M/S NEW SATELLITE VIDEO VISIONS
AGED ABOUT 59 YEARS
HAVING ITS REGISTERED OFFICE AT NO.897/1
KANTHARAJE URS ROAD
LAKSHMIPURAM
MYSURU - 570 004

PRESENTLY AT NO.949/1
2ND MAIN ROAD



JAYALAKSHMIPURAM
MYSURU - 570 004
MR. M MANJUNATHA (DEAD BY LRS)
S/O. SRI MYLARAISH
AGED ABOUT 47 YEARS

- SMT. N SUMA
2. W/O LATE MANJUNATHA
AGED ABOUT 42 YEARS
 3. MEGHANA
D/O LATE MANJUNATHA
AGED ABOUT 24 YEARS
 4. PALLAVI
D/O LATE MANJUNATHA
AGED ABOUT 22 YEARS
R-2 TO R-4 ARE R/AT NO.1694,
"MALLIKARJUNA KRUPA"
2ND CROSS, ANIKETHANA ROAD
KUVEMPUNAGAR, MYSURU - 23
HAVING ITS REGISTERED OFFICE AT
AT NO.1019/2, JAYALAKSHMI VILAS ROAD
CHAMARAJAPURAM, MYSURU - 570 001

...RESPONDENTS

(BY SRI RAGHAVENDRA K., ADVOCATE FOR R-1 &
SRI HARIKRISHNA M.S., ADVOCATE FOR R-2 TO R-4)

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 13(1)(A) OF COMMERCIAL COURTS ACT 2015, PRAYING TO CALL FOR THE RECORDS IN COM.O.S NO. 224/2023, ON THE FILE OF THE COMMERCIAL COURT & II ADDITIONAL DISTRICT AND SESSIONS JUDGE, MYSURU, AND SET ASIDE THE JUDGMENT AND DECREE DATED 04.09.2025, IN COM. O.S NO. 224/2023, ON THE FILE OF THE COMMERCIAL COURT & II ADDITIONAL DISTRICT AND SESSIONS JUDGE, MYSURU.

THIS COMMERCIAL APPEAL HAVING BEEN HEARD AND RESERVED FOR JUDGMENT, COMING ON FOR PRONOUNCEMENT THIS DAY, JUDGMENT WAS PRONOUNCED AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU ,CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA

C.A.V. JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU ,CHIEF JUSTICE)

1. The appellant has filed the present appeal under Section 13(1A) of the Commercial Courts Act, 2015, impugning the judgment and decree dated 04.09.2025 [**impugned judgment**] passed by the Commercial Court and II Additional District and Sessions Judge, Mysuru [**Commercial Court**] in COM.O.S.No.224/2023. The suit was originally instituted as O.S.No.93/2017 before jurisdictional Civil Court at Mysuru and was subsequently, transferred to and re-numbered by the Commercial Court as COM.O.S.No.224/2023.

2. In terms of the impugned judgment and decree, the learned Commercial Court directed the defendants in the suit to hand over the business of CA T.V signals network in the area mentioned in the sketch attached to the lease deed dated 25.04.2009 (Exhibit P1) along with the material, equipments, T.V.sets etc., and subscribers as mentioned in Schedule 'B' (Annexure-A) and Schedule 'C' (Annexure-B) of the lease deed. The learned Commercial Court further directed the defendants to pay rent to the

Multi-System Operator [**MSO**] from 25.04.2012 till the date of surrender; to pay arrears of rent of ₹3,90,000/-; and to pay damages at the rate of ₹50,000/- (per month) from the date of suit till handing over of the business.

3. The appellant, who was arrayed as defendant No.1 in the said suit, was a partner along with defendant No.2 (Sri M.Manjunatha) in a firm carrying on business under the name of M/s. Raghavendra Enterprises. Defendant No. 2 expired, and his legal heirs (wife and daughters) were brought on record as defendants Nos. 2(a) to 2(c). They are arrayed as respondents Nos. 2 to 4 in the present appeal.

THE PLAINTIFF'S CASE

4. Respondent No.1 was the plaintiff in the said suit. He claimed that he was carrying on the business of providing cable TV network services under the sole proprietorship concern, M/s.New Satellite Video Visions. He claimed that he had entered into a lease deed dated 25.04.2009 [**the lease deed**] with M/s.Raghavendra Enterprises, through its partners, defendant Nos. 1 and 2, to run the business of cable TV and network operations, which were being carried on at the premises bearing No. 897/1, Kantharaje Urs Road, Lakshmipuram, Mysuru [**the premises**]. The plaintiff claimed

that, under the lease agreement, he handed over all machinery and equipment used in the business, as well as the list of subscribers annexed to the lease deed. Under the lease deed, the defendants were liable to pay a monthly rent of ₹35,000/- and had also deposited a refundable security deposit of ₹15,00,000/-. The term of the lease deed was three years, with effect from 01.05.2009 to 31.04.2012. According to the plaintiff, the defendants paid the lease rent as agreed till 30.04.2012. However, they failed to pay the same thereafter. He claimed that the defendants had agreed that future lease rent be deducted from the security deposit of ₹15,00,000/-. The plaintiff also averred that the defendants paid rent to the landlord of the premises.

5. The plaintiff claimed that since the defendants had failed to pay the lease rent, he served a legal notice dated 14.11.2016 on the defendants, determining the lease from 05.01.2017, and calling upon the defendants to surrender the lease along with the material and the subscribers as mentioned in Schedule 'B' (Annexure-A) and Schedule 'C' (Annexure-B) of the lease deed. The plaintiff claimed that as on 31.12.2016, the defendants were in arrears of rent to the extent of ₹18,90,000/- and after adjusting the security deposit amount of ₹15,00,000/-, ₹3,90,000/- was due and payable

as on the said date. The plaintiff also claimed damages at the rate of ₹50,000/- per month from 05.01.2017, the date on which the plaintiff claimed to have determined the lease.

THE DEFENCE

6. The defendants contested the suit and raised several pleas, including that the suit was not maintainable and was barred by limitation. The defendants did not dispute that they had entered into the lease deed (lease deed dated 25.04.2009). However, they claimed that there was no contractual relationship between the parties after the lease deed expired. They denied any oral agreement extending the lease deed and claimed that they were discharged from any further performance of obligations upon termination of the lease deed. They also claimed that they were not running the cable TV business under the name of 'M/s.New Satellite Video Visions'.

THE IMPUGNED JUDGMENT

7. The learned Commercial Court framed the following issues for consideration:

1. Whether the Plaintiff proves that they have leased the business M/s New Satellite Video Vision as cable TV networking programme in favour of Defendant and such lease has been terminated from 05.01.2017 in accordance with law?

2. Whether the Plaintiff proves that he has leased the materials and equipments as described in Annexure -A and B in favour of Defendants ?
3. Whether the Plaintiff proves that the Defendants are in arrears of rent of Rs.3,90,000/-?
4. Whether the Plaintiff proves that the Defendant is liable to hand over the business in CA TV Signal Network business along with materials, equipment, TV sets etc., and subscribers as described in Annexure-A & B in the Lease Deed and housed in A schedule property ?
5. Whether the Plaintiff is entitled for the suit claim as sought ?
6. What order or decree?

ADDITIONAL ISSUES

1. Whether the Defendants prove that the Firm should have been made as party to the suit and the suit is bad for non-joinder of necessary parties?
 2. Whether the Defendants further prove that, suit is barred by limitation?"
8. Issues Nos. 1 to 5 were decided in the affirmative, that is, in favour of the plaintiff and against the defendants. Additional issues were also framed and decided in the negative. The learned Commercial Court found that there was no material to establish that the business in question had been handed over to the plaintiff after completion of the lease period. Further, there was material to establish that the defendants were carrying on business. In view of the said findings, the learned Commercial Court held that the

defendants are liable to pay arrears of rent and to hand over the materials, equipment, and the list of subscribers as agreed.

9. The learned Commercial Court decided the question whether the suit was liable to be dismissed on non-joinder of parties, in the negative. The Court held that since partners of M/s.Raghavendra Enterprises were arrayed as parties; the suit could not be dismissed on the ground that the firm was not a party to the suit. Insofar as the issue of limitation is concerned (additional issue number No.2), the learned Commercial Court held that the cause of action would arise from the date when the defendants refused to hand over the business to the plaintiff and therefore, the suit was not barred by limitation.

REASONS AND CONCLUSIONS

10. There is no dispute that the parties entered into an agreement dated 25.04.2009 (the lease deed, Exhibit P1), and the plaintiff's claims are based on its terms. The recitals of the lease deed state that the plaintiff was carrying on business under the name and style of M/s. New Satellite Video Visions. The second party to the lease deed (M/s. Raghavendra Enterprises) was also engaged in the same business in and around Mysuru City.

11. We consider it apposite to set out some of the terms of the lease deed that are relevant for adjudicating the disputes. The same are reproduced below:

"1. The term of the lease is for a period of three (3) years with effect from 01/05/2009 to 30/04/2012 (First of May Two Thousand and Nine to Thirtieth of April Two Thousand and Twelve).

2. The FIRST PARTY has agreed to LEASE out the business and the network under the name and style M/s NEW SATEILITE VIDEO VISIONS with its subscribers listed in Annexure 'B' and also agreed to give all the carriage from his control room to its customers TV set, which are listed in Annexure 'A' through a joint survey.

3. In consideration to the LEASE of the said business the SECOND PARTY has agreed to pay a sum of Rs. 15,00,000/- (Rupees Fifteen lakhs only) as security deposit and monthly rent of Rs. 35,000/- (Rupees Thirty five thousand only) to the FIRST PARTY. Monthly rent of Rs. 35,000/- shall have to be paid to the FIRST PARTY by the SECOND PARTY within fifth of every month.

4. The SECOND PARTY is entitled to receive back the security deposit of Rs. 15,00,000/- (Rupees Fifteen lakhs only) at the time of surrendering the LEASE on expiry of the stipulated period of three years and same shall carry no interest.

5. The SECOND PARTY has agreed to surrender or give the position all the carriage which will be in his position at the time of surrendering the LEASE to the FIRST PARTY in good conditions.

6. The SECOND PARTY has agreed to surrender all the subscribers of the number listed in annexure 'B' in case if the number of subscribers is decreased except DTH reason, then the SECOND PARTY has agreed to pay a sum of Rs. 6000/- per subscriber.

7. The SECOND PARTY has also agreed that he will surrender the expanded subscribers with carriage to the FIRST PARTY if any, at the time of surrendering the LEASE, for which the SECOND PARTY is not entitled for any benefit in terms of money as he has enjoyed the subscription benefits from the date of connection till the date of surrender.

8. The SECOND PARTY alone responsible for the payment of signal charges, salary to the employees, electricity bill, telephone bill, maintenance expenses, any type of Tax payable to state and center and any damages claimed by any claimants during the period of LEASE, any accident occurs during the period of LEASE to any of the employees, customers and public.

9. The SECOND PARTY has agreed to pay the escalation in signal charges payable to MSO.

10. The FIRST PARTY is entitled to enter, verily the business, accounts maintained by the SECOND PARTY during the period of LEASE.

11. The FIRST PARTY is entitled to receive dues from its customers listed in annexure 'B' if any for which the SECOND PARTY has also agreed to co-operate in collecting the said dues and vice versa."

12. It is also relevant to refer to the schedule to the lease deed,

which is reproduced below:

SCHEDULE

- | | |
|-------------------------|---|
| 1. Name of the Firm: | M/s. NEW SATELLITE
VIDEO VISIONS |
| 2. Address of the Firm: | #897/1, Kantha Raje Urs
Road, Lakshmipuram,
Mysore - 570 004. |

3. East & West,
North & South:

SKETCH GIVEN

13. Annexure-A of the lease deed sets out the list of equipment which was handed over to the defendants. The said annexure contains two tabular statements. The first table contains the list of equipments and the details of the control room. The second table lists equipment, such as amplifiers and nodes, that were placed at various locations. The said annexure also mentions fibre cable and other necessary accessories for the carriage of signals. Annexure-B sets out the list of subscribers (574 serial entries in total) and their addresses.

14. As is apparent from the above, the term of the lease deed expired on 30.04.2012, and there is no document on record to establish that the parties agreed to extend the lease on the same terms and conditions. According to the plaintiff, there was an oral agreement to the said effect. However, the same is not reflected in any contemporaneous document. Admittedly, the defendants had paid rent till 30.04.2012, but had not paid any amount thereafter. The plaintiff claimed that the parties had agreed that the said rental would be adjusted from the security deposit. However, there is no evidence of this oral agreement. It is also material to note that the

lease deed expressly recorded that the defendants would not postpone the surrender of the leased premises on expiry of the lease period.

15. In the given circumstances, it is difficult to accept that the lease deed was extended beyond the agreed three-year period. Although the agreement between the parties is termed as lease, it is essentially an agreement under which the defendants took over the plaintiff's business and agreed to pay the plaintiff a monthly remuneration of ₹35,000/-. The defendants had also taken over the equipment and network used to provide services to subscribers. At the material time, the said business was being controlled from the premises at No. 897/1, Kantharaje Urs Road, Lakshmipuram, Mysuru, which the parties referred to as "the control room". However, it is admitted that the said control room was in rented premises. The plaintiff had claimed that the defendants had shifted the business from the said premises to the first floor of House No. 949/1, Second Main Road, Lakshmipura, Mysuru, and were continuing the said business from the said premises using the equipment.

16. The plaintiff has examined himself as PW1. During his cross-examination, he was asked what was meant by the word 'Rent' as

mentioned in the lease deed. In his response, he stated that "Since we have given our infrastructure to them, we were taking rent". However, he conceded that the lease deed did not mention what the infrastructure consisted of. He also acknowledged that the control room had been moved from the rented premises to his house.

17. The relevant extract of the PW1's cross-examination is set out below:

"7. It is correct to suggest that we shifted our control room from the said rented house to our own house; the witness answers "Yes." It is correct to suggest that the said house is our own house; the witness answers "Yes." To the suggestion that signals are being sent to cable TV subscribers from the control room located in our own house, the witness states, "They are being sent now." We shifted the cable TV control room to our house in the year 2013. The said control room is located on the first floor of our house. It is correct to suggest that I have been residing in the said house since before 2013; the witness answers "Yes." The witness states that the lock and key of the said control room are with me and also with them (the defendants). They pay the electricity bill for the said control room. No agreement has been entered into between me and the defendant specifically regarding the control room. The witness further states, "The defendant came here for the reason that the rent would be 'waived off.'"

18. It is clear from the above that the business that had been handed over to the defendants came under the plaintiff's control, as the control room was admittedly moved to his house. Although the plaintiff had claimed that the defendants also paid the electricity bills for the control room, there was no evidence or material to that effect.

19. Defendant No.1 was also examined as DW1. He was cross-examined and stated that he had surrendered the lease but had not taken any written document from the plaintiff. However, he also stated that the plaintiff had made statements to the effect that the plaintiff had shifted the business office to his house and that thereafter the defendants had not conducted any business at the location to which it was shifted.

20. In view of the above, there is no dispute that the control room had been shifted from the rented premises and is now housed in the plaintiff's residence. It is also not disputed that he is in control of the said office (Control Room). Although the plaintiff also claims that the defendants had a key to the office (control room), there is no further evidence indicating that the defendants were carrying on the business from the plaintiff's residence. There is also no

evidence on record that at the time of filing the suit, the defendants were still engaged in the business of providing cable TV services.

21. There is no evidence of any agreement between the parties other than a statement made by PW1, which is denied by DW1, that the lease deed had been extended. We are unable to accept that there was any agreement between the parties for extension of the lease deed. It is also well settled under Section 92 of the Indian Evidence Act, 1872 that oral statements cannot be accepted as modifying the terms of a written agreement.

22. In this view, the plaintiff's action of claiming rent would not be sustainable. It is not disputed that the plaintiff's cause of action for recovering the assets, as well as demanding the transfer of the business would commence from the date of expiry of the term of the lease agreement. Thus, any action for recovery of the same would now be barred by limitation. Thus, the plaintiff's claim for the same is barred by limitation.

23. We also note that although the learned Commercial Court has awarded damages at the rate of ₹50,000/- per month, there is no evidence whatsoever on record which would substantiate the quantum of the damages allegedly suffered by the plaintiff. This

Court also cannot ignore that the market value of the equipment handed over to the defendants in 2009, would by now have significantly depreciated in value.

24. The period of limitation under Article 52 of the Limitation Act, 1963 for recovery of rent is three years from when the arrears become due. Further, as under Article 55 of the Limitation Act, 1963, the period of limitation for instituting any action for compensation for breach of any contract is three years from the date when the contract is broken.

25. As noted above, the term of the lease deed expired on 30.04.2012. The defendants did not make any payment of the lease rents (monthly consideration as agreed under the lease deed) thereafter. Thus, the period of limitation commenced from the said date.

26. Under Article 113 of the Limitation Act, the period for limitation is three years from the date on which the right to sue accrues.

27. Accordingly, the action instituted by the plaintiff (respondent No.1) is barred by limitation.

28. In view of the above, the impugned judgment and decree are set aside. The appeal is accordingly allowed.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(C.M. POONACHA)
JUDGE**

KPS