A.No.2655 of 2020
in C.S.No.SR76410 of 2020

C.V.KARTHIKEYAN J,

This application has been filed seeking leave to sue against the defendants. The plaintiff is a Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India and also registered with the Reserved Bank of India carrying on the business of providing loan Insurance Programme Services for large scale and small scale companies and providing loan facility services to other similar service providers.

2. The first defendant is a company also registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) and also offers lending and financing solutions to low-income groups and to those having little access to formal financial avenues. The first defendant has registered Office at Bhubaneswar in Odisha. The second defendant is the Managing Director of the first defendant. The third defendant is a Director and Chairman of the first defendant. It had been stated that the suit had been filed for a Judgment and Decree against the defendants to jointly and severally pay a sum of Rs.38,16,45,711.00/-

(Rupees Thirty Eight Crores Sixteen Lakhs Forty Five Thousand Seven Hundred and Eleven only) which included principal of Rs.36,94,43,077/- (Rupees Thirty Six Crores Ninety Four Lakhs Forty Three Thousand and Seventy Seven only) and interest of Rs.1,22,02,704/- (Rupees One Crore Twenty Two Lakhs Two Thousand Seven Hundred and Four only) together with the future interest and for costs.

3. The plaintiff had entered into facility agreements with the first defendant between November 2019 and September 2020 and advanced substantial amount to the first defendant. Personal Guarantees had been executed by the second and third defendants. It is stated that, when due diligence was conducted, plaintiff came to be aware of a note dated 07.10.2020 issued by the Chief Financial Officer of the first defendant wherein he had raised allegations against the second defendant that assets have been inflated by around Rs.250,00,00,000/- (Rupees Two Hundred and Fifty Crores only) by showing fictitious disbursement, withdrawals and showing deposits as collections. It was stated that the first defendant was facing a liquidation crunch. The plaintiff claims that the second defendant issued a letter dated 13.10.2020 admitting

irregularities in the books of accounts. However, in view of the fact that the amounts are now due and payable the suit had been instituted seeking the relief as stated above.

4. It must also to be pointed out that the plaintiff has also filed a criminal complaint dated 21.10.2020 with the Commissioner of Police at Chennai against the defendants. They have also preferred a complaint before the immigration authorities by e-mail dated 24.10.2020 to ensure that the second and third defendants do not attempt to flee the country.

5. It has been specifically pointed out Mr.Anirudh Krishnan, learned counsel for the plaintiff that in the facility agreement that the parties had agreed that if there are any disputes, the Courts and Tribunals at Chennai shall have exclusive jurisdiction. A similar clause is also found in the guarantee agreements executed by the second defendant wherein again it had been stated that the Courts and Tribunals in Chennai shall have jurisdiction to settle any disputes which arise in connection with the guarantee.

C.V.KARTHIKEYAN.J,

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6. In view of the fact, that the parties had agreed to submit themselves to the jurisdiction of this Court in case there are disputes, it is only to appropriate that they actually abide with such agreement. I hold that this Court will have jurisdiction to entertain the issues raised by the plaintiff.

7. In view of the above facts, leave is granted.

8. Registry to number the suit if it is otherwise in order.

06.11.2020

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