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IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

FRIDAY, THE 26TH DAY OF FEBRUARY 2021

THE HON'BLE DR. JUSTICE C.V. KARTHIKEYAN

C.S. No. 617 of 2019

and

O.A.No. 964 of 2019

1. DSC.Motors Private Limited.,
Represented by its Managing Director
D.Selvakumar
399, Anna Salai,
Nandanam,
Chennai – 600 035.
2. D. Selvakumar
S/o. Late.Dhanapal
'Gurukripa'
Door No. 97, Defense Officers Colony
Ekkattuthangal
Chennai – 600 032.

... Plaintiffs/Applicants

-Versus-

1. M/s. Mahindra & Mahindra Financial Services Limited.,
Represented by its Deputy Manager (Legal)
Mr.S.Suresh
Gateway Building
Apollo Bunder
Mumbai – 400 001.



2. M/s. Sri Jayalakshmi Automotives Private Limited.,
Represented by its Chief Financial Officer
Mr. Sheriff Saheb Shaik
Naspur House
Door No.3-5-436, 437 & 438,
Himayath Nagar
Hyderabad- 500 029.

... Defendants/ Respondents

C.S.No. 353 of 2016

Civil Suit praying that this Hon'ble Court be pleased to pass a
Judgement and Decree:

- a) To Declare that the Sale Deed dated 30.08.2019, registered as Document No. 9741 of 2019 – before the Joint Sub Registrar No.I, Saidapet, Chennai, executed by First defendant in favour of the second defendant in respect of the suit property as null and void and not binding on the plaintiffs.
- b) Grant an order of permanent injunction restraining the defendants, their men, agents, servants, or any other persons authorized through them or under them from alienating or otherwise from creating any encumbrance over the suit property; and
- c) Grant costs of this suit to the plaintiffs.

O.A.No. 964 of 2019

Original Application praying that this Hon'ble Court be pleased to

grant an Order of Interim Injunction restraining the second respondent herein



his men or agents or anybody claiming under him from alienating the suit property and from creating any encumbrance over the same in any manner by way of sale/mortgage/gift/settlement pending disposal of the above suit.

This suit alongwith the original applications coming on this day before this court for hearing in the presence of Mr.V. Rajesh, Advocate for the plaintiffs in C.S.No.617 of 2019 and for the Applicants in O.A.No. 964 of 2019 and Mr.A. Prabhakaran, Advocate for the 1st defendant in C.S.No. 617 of 2019 and for the 1st respondent in O.A.No. 964 of 2019 and Mr.K.Ravindranath, Advocate for the 2nd defendant in C.S.No. 617 of 2019 and for the 2nd respondent in O.A.No. 964 of 2019 and upon reading the plaint filed in C.S.No. 617 of 2019 and the order dated 24.10.2019 made in O.A. No. 964 of 2019 and the joint memorandum of compromise signed by the plaintiffs and the defendants, with their respective advocates and the said advocates for the parties hereto praying this court to pass a decree in terms of joint memorandum of compromise morefully set out in the schedule hereunder, **it is in terms thereof ordered and decreed as follows:**

That the 2nd defendant herein, has agreed and offered to pay a sum of Rs.1,00,00,000/- (Rupees One Crore only) as consideration towards, full and final settlement of all claims of the 2nd plaintiff and out of the above said sum of Rs.1,00,00,000/- (Rupees One Crore only) the 2nd defendant herein, shall pay to the 2nd plaintiff a total sum of Rs.85,00,000/- (Rupees Eighty Five



Lakhs only) and Rs. 15,00,000/- (Rupees Fifteen Lakhs only) to the 1st defendant, to which the plaintiff and 1st defendant have agreed and consented for the said payment.

2) That the second defendant herein, shall make the above said payment in three installments as detailed below:-

- a) First installment of Rs. 45,00,000/- (Rupees Forty Five Lakhs only) by way of demand draft dated 03.12.2020 bearing No. 010166, drawn on HDFC Bank Limited, in favour of the second plaintiff and a demand draft dated 03.12.2020 bearing No. 010165, drawn on HDFC Bank Limited, for a sum of Rs. 5,00,000/- (Rupees Five Lakhs only) in favour of the 1st defendant herein.
- b) Second Installment of Rs. 20,00,000/- (Rupees Twenty Lakhs only) to be paid on or before 11.01.2021, to the second plaintiff together, with second installment of Rs. 5,00,000/- (Rupees Five Lakhs only) to be paid on or before 11.01.2021 to the first defendant.
- c) Third installment of Rs.20,00,000/- (Rupees Twenty lakhs only) to be paid on or before 11.02.2021 to the second plaintiff together with third installment of Rs. 5,00,000/- (Rupees Five Lakhs only) to be paid on or before 11.02.2021 to the first defendant herein.

3) That on completion of payment of all installment as mentioned

above, the plaintiffs herein agrees, confirms, consent and ratify the sale deed



dated 30.08.2019, registered as Document No.9741 of 2019, before the joint sub Register No.1, Saidapet, Chennai, executed by Defendant No.1 in favour of defendant No.2 and the plaintiffs after the execution of these presents and on completion of all the payment/installments as stipulated in the memorandum shall not have any right, title, claims or interests over the suit property morefully set out in the schedule hereunder, and the second defendant herein, shall be the absolute owner with full right, title, interest or possession of the said suit property, and further, 2nd defendant also understands, agrees and confirms of not having any claim of whatsoever nature, with respect to the said suit property with 1st defendant herein.

4) That the 1st defendant herein, has agreed and confirmed to settle the outstanding accounts of the plaintiff's as mentioned in Table-A on compliance of the payment terms in this Memorandum of compromise by the plaintiffs more particularly detailed in Table C read together Table B in the below mentioned manner.

TABLE A

CUSTOMER ID	BORROWER	LOAN NUMBER	FACILITY	LIMIT SANCTIONED
9363916	DSC MOTOR PRIVATE LIMITED		Inventory Funding	4,00,00,000.00
9363916	DSC MOTOR PRIVATE LIMITED		Inventory Funding	2,00,00,000.00
9363916	DSC MOTOR PRIVATE LIMITED		Inventory Funding	2,50,00,000.00



CUSTOMER ID	BORROWER	LOAN NUMBER	FACILITY	LIMIT SANCTIONED
9363916	DSC MOTOR PRIVATE LIMITED	ICHFIN217064767	Term Loan	3,00,00,000.00
9363916	DSC MOTOR PRIVATE LIMITED	ICHFIN217067834	Term Loan	2,50,00,000.00

CUSTOMER ID	BORROWER	LOAN NUMBER	FACILITY	LIMIT SANCTIONED
9364211	POWER CAR INDIA PRIVATE LIMITED	ICHFIN217053456	Term Loan	15,00,000.00
9364211	POWER CAR INDIA PVT LTD		Inventory Funding	2,85,00,000.00

TABLE B

DSC MOTORS PRIVATE LIMITED

CUSTOMER ID	LOAN NUMBER	FACILITY	LIMIT SANCTIONED	AWARD AMOUNT	AWARD (@18% PER ANNUM TILL SALE DATE)	DATE
9363916		Inventory Funding	4,00,00,000.00	44162892.00	47232219.99	29-Aug-19
9363916		Inventory Funding	2,00,00,000.00	11282127.00	12006234.83	29-Aug-19
9363916		Inventory Funding	2,50,00,000.00	77998107.04	83418795	29-Aug-19
9363916	ICHFIN217064767	Term Loan	3,00,00,000.00			
9363916	ICHFIN217067834	Term Loan	2,50,00,000.00			
Total			14,00,00,000.00	13,34,43,126.0	14,26,57,249.8	

**POWER CARS INDIA PRIVATE LIMITED**

CUSTOMER ID	LOAN NUMBER	FACILITY	LIMIT SANCTIONED	TOTAL OUTSTANDING AS ON DATE	AWARD AMOUNT	AWARD (@18% PER ANNUM)
9364211	ICHFIN217053456	Machinery Loan	15,00,000.00	24 th -Aug-2020	0	0
9364211		Inventory Funding	2,85,00,000.00	24 th -Aug-2020	30290494	35863944.9

TABLE C – PAYMENT TERMS FOR SETTLEMENT OF DUES OF DSC MOTORS PRIVATE LIMITED AND POWERS CARS INDIA PRIVATE LIMITED

TOTAL OUTSTANDING AS ON 29th Aug 2019 AS PER AWARD PASSED FOR DSC MOTORS	14,26,57,249.8
TOTAL OUTSTANDING AS ON 22nd Aug 2019 AS PER AWARD PASSED FOR POWER CAR INDIA PRIVATE LIMITED	30290494
Total Outstanding Amount	17,29,47,743.8
Sale Amount of the Suit Schedule Property (Sale Dated 30/08/2019)	140000000
Security Deposit Value – Power cars as on 12/08/2020	4815265
Additional Payment to be made on or before on 21/01/2021	15,00,000
Total Settlement Amount	14,63,15,265

5) That on compliance of the payment terms as mentioned in the Table C, Plaintiffs and the defendants in mutual interests, have agreed to resolve the differences, and have on this date entered into this memorandum of compromise and the plaintiffs and the defendants have agreed to:-

- a) That the first defendant herein shall issue "No Objection Certificate" to both DSC Motors Private Limited, and also to M/s. Power Cars Pvt.Ltd., which is a company promoted by the 1st plaintiff, in respect of all the



completion of all the payments as enumerated in this Memorandum of compromise payable to the first defendant, and other loans, if any, with first defendant, shall stand out of the scope of this memorandum of compromise.

- b) That the first defendant herein shall cancel the Mortgage Deed executed by the daughter of the second plaintiff namely Ms. Nikkitha Selvakumar, Registered as Doc.No. 4509/2018, dated 07.09.2018 before the Joint Sub Registrar, No.2, Kancheepuram, in respect of the property comprised in S.No. 441/1A, 441/1B1 measuring an extent of 1.85 Acres, situated at No. 18, Ariyaperumbakkam Village, Kancheepuram District, offered as security to the first Defendant towards the loan amount within 10days from the date of completion of payments as detailed in this memorandum of comprise.
- c) That on completion of all the payments by the 2nd defendant herein, as enumerated in this Memorandum of Compromise, the plaintiffs hereby ratify the Sale Deed dated 30.08.2019, Registered as Document No. 9741 of 2019 -before the Joint Sub Register No.1, Saidapet, Chennai executed by the first Defendant in favour of the 2nd defendant in respect of the said Suit schedule property and the plaintiffs or their nominees, assigns or anybody claiming under them do not have any further or other claims over the same.



6) That in the event of default non-compliance or violation of any of the agreed terms and conditions of the Memorandum, the plaintiffs herein shall be entitled to continue with the above suit, and the first defendant herein, shall be entitled to take appropriate action in court of law or initiate any other legal proceedings.

SCHEDULE OF PROPERTY

All the piece and parcel of land and building bearing Old Door No. 399, New D.No. 824, 1st Main Road, C.I.T.Nagar, Anna Salai, Nandanam, Chennai – 600035, measuring an extent of 407Sq.ft., together with the comprised in T.S.No.26, Block No. 11, Government Farm Village, Guindy Taluk, Chennai District, and bounded on:

North By - Property of Mr. Dorairajan

South By - Anna Salai

East By - CIT Nagar First Main Road

West By - Property allotted to Mr.D.Chandrasekar

Measuring:

East to West on the :

Northern Side – 53.3 Feet

Southern Side – 53.3 Feet

North to South on the:

Eastern Side – 77.0 Feet



Western Side – 77.0 Feet

situated within the Registration District of Chennai South and in the Sub Registration District of Joint No.I, Saidapet. This property lies within the jurisdiction of Chennai Corporation Limits.

Memorandum of Compromise



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13.08.2021

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C.S.No. 617 of 2019

and

O.A.Nos. 964 of 2019

DECREE

DATED 26/02/2021

THE HON'BLE MR.JUSTICE

C.V. KARTHIKEYAN

FOR APPROVAL: 09/09/2021

APPROVED ON: 13/09/2021



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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **26.02.2021**

CORAM:

THE HON'BLE JUSTICE **C.V.KARTHIKEYAN**

C.S.No.617 of 2019
and O.A.No.964 of 2019

1.DSC Motors Private Limited,
Represented by its Managing Director,
D.Selvakumar,
399, Anna Salai,
Nandanam,
Chennai - 600 035.

2.D.Selvakumar

... Plaintiffs

..Vs..

1.M/s.Mahindra & Mahindra Financial Services Limited,
Represented by its Deputy Manager (Legal)
Mr.S.Suresh,
Gateway Building,
Apollo Bunder,
Mumbai - 400 001.

2.M/s.Sri Jayalakshmi Automotives Private Limited,
Represented by its Chief Financial Officer,
Naspur House,
Door No.3-5-436, 437 & 438,
Himayath Nagar,
Hyderabad - 500 029.

... Defendants

PRAYER : Plaint filed under Section 7 of the Commercial Courts

Commercial Division and Commercial Appellate Division of High Courts Act,



2015 (4 of 2016), prayed for a Judgment and Decree:-

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(a) To Declare that the Sale Deed dated 30.08.2019, registered as Document No.9741 of 2019 - before the Joint Sub Registrar No.I, Saidapet, Chennai, executed by first defendant in favour of the second defendant in respect of the suit property as null and void and not binding on the plaintiffs;

(b) Grant an order of permanent injunction restraining the defendants, their men, agents, servants or any other persons authorized through them or under them from alienating or otherwise from creating any encumbrance over the suit property;

(c) Grant costs of this suit to the plaintiffs.

For Plaintiffs : M/s.V.Rajesh

For Defendants : M/s.A.Prabhakaran for D1
M/s.K.Ravindranath for D2

J U D G M E N T

Heard Mr.V.Rajesh, learned counsel for the plaintiffs and

Mr.A.Prabhakaran, learned counsel for the first defendant and



Mr.K.Ravindranath, learned counsel for the second defendant. Very appreciably, the plaintiffs and the defendants assisted by their counsels have entered into a Memorandum of Compromise giving a quietus to the issues raised.

2. A Memorandum of Compromise was dated 04.01.2021 and had been filed in Court on 18.01.2021. It has been signed by the Managing Director of the first plaintiff and also by the second plaintiff. It has also been signed by the Authorized Signatory of the first defendant and by the Authorized Signatory of the second defendant. It has also been signed by the learned counsels for the plaintiffs, first defendant and the second defendant.

3. The operative portion of the said Memorandum of Compromise is in clause 3 wherein, by way of three installments, the second defendant had agreed to effect payments to the second plaintiff and the first defendant. The said clause is as follows:

"3. The Second Defendant shall make the above payment in three installments as detailed below:

First Installment of Rs.45,00,000/- (Rupees Forty Five Lakhs only), by way of demand draft dated 03.12.2020, bearing No.010166, drawn on HDFC Bank Limited, in favour of the Second Plaintiff, and a demand draft dated 03.12.2020, bearing No.010165, drawn on



HDFC Bank Limited, for a sum of Rs.5,00,000/- (Rupees Five Lakhs only), in favour of the First Defendant.

ii) Second Installment of Rs.20,00,000/- (Rupees Twenty Lakhs only), to be paid on or before 11.01.2021, to the Second Plaintiff, together with Second Installment of Rs.5,00,000/- (Rupees Five Lakhs only), to be paid on or before 11.01.2021, to the First Defendant.

iii) Third Installment of Rs.20,00,000/- (Rupees Twenty Lakhs only), to be paid on or before 11.02.2021, to the Second Plaintiff, together with Third Installment of Rs.5,00,000/- (Rupees Five Lakhs only), to be paid on or before 11.02.2021, to the First Defendant."

4. It is informed that the first payment was paid on 03.12.2020 as stated in the Memorandum of Compromise. This suit had been coming up before this Court and the Court wanted to know whether the second defendant had kept up with the payments of the subsequent installments. It is informed today all the installments have been paid. The second installment had been paid on 19.01.2021 and the third installment had been paid on 17.02.2021. This brings to a satisfactory end the litigation among the parties.



5. In view of said fact, the suit is decreed in terms of Memorandum of Compromise. No order as to costs. Connected application is closed. The Memorandum of Compromise dated 04.01.2021 and filed in Court on 18.01.2021 shall form part of the decree.

Sd/- C.V.K.J.
26/02/2021

//Certified to be true copy//
Dated at Madras this the day of 2021.

COURT OFFICER(O.S.)
From 25th Day of September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decrees in this format.