IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 31.10.2023

CORAM

THE HON`BLE MR.JUSTICE N.SATHISH KUMAR

C.S.No.129 of 2022

Choolamandalam Investment and Finance Company Limited [CIFCL],
Represented by its Asst. General Manager, E.Magesh
having registered office at Dare House 1st Floor,
2, NSC Bose Road, Chennai – 600 001. .. Plaintiff

vs.

N.Rahul Kumar .. Defendant

Civil Suit filed under Order IV Rule 1 of Original Side Rules 1956 read with Order VII Rule 1 and 2 CPC praying for the following judgment and decree against the defendant.

(a) for permanent injunction restraining the Defendant his servant agent or assigns or any other persons(s) claiming by through or under him in any manner whatsoever either orally and/or in writing to publish or cause to be published any material and/or address communication/complaint to any authority whatsoever and/or file any fresh litigation/complaint in the guise of public interest containing any direct or indirect reference to the plaintiff company or its group companies or its management and or any material which would defame or tend to defame the plaintiff company or its group companies and/or its Board of Director Senior management personnel, officers, employees, servants, agents or authorized representatives and/or is malicious/injurious falsehood with regard to the plaintiff company, its group companies, Board of Directors, promoters, Senior management personnel and/or its officers, employees servants, agents or authorised representatives and/or repeating/reprinting the statements published or caused to be published in the past either orally or in writing, including the statements contained in the communication addressed to various authorities and relied upon in the plaint above

b] That this Court be pleased to pass an order and decree of permanent injunction restraining the defendant, his servants, agents or assigns or any other person/s claiming by, through or under them in any manner whatsoever from committing and/or causing to commit any nuisance or other wrongful acts affecting or likely to affect the interests of stakeholders of the plaintiff company or its group companies including the Board of Directors, Promoters, Promoter shareholders, Senior Management Personnel, officers, employees servants, agents or authorized representatives.

c] That this Court be pleased to pass an Order and decree for an amount of Rs.1,00,01,000/- [Rupees one crore and one thousand only] in favour of the plaintiff company, towards damages including exemplary damages] for loss of reputation, goodwill, causing injury to its trading character and tarnishing its image in the eyes of general public.

b] to pay the plaintiff the costs of the suit;

For Plaintiff : Mr.Salai Varun

For defendant : set exparte

J U D G M E N T

The suit has been filed for permanent injunction restraining the defendant and his men from filing any litigation and publish statements in the guise of public interest which would defame the plaintiff company, for permanent injunction restraining the defendant and his men from causing any nuisance or other wrongful acts affecting the interests of the stakeholders of the plaintiff company and to direct the defendant to pay as sum of

Rs.1,00,01,000/- towards damages for lose of reputation and goodwill of the plaintiff company in the eyes of general public and for costs.

2. The case of the plaintiff is that the plaintiff is a registered with the Reserve Bank of India as a Non-Banking Financial Company [NBFC]. It is systematically classified as Non Banking Financial Company. The plaintiff company enjoys an impeccable reputation in the market. It has over 1145 branches across the country with assets of above INR 8200 Crores and the activities of the plaintiff is under the supervisory frame work of the Reserve Bank of India. When the matter stood thus, the defendant circulated defamatory complaints, without any substance, to various authorities, affecting the reputation, including the Reserve Bank of India alleging that the plaintiff has siphoned a sum of Rs.20,000 crores of public money besides he has also lodged a criminal complaint alleging that when the defendant enquired about the scam, criminal intimidation has been made by the staff of the plaintiff company. Hence, it is the contention of the plaintiff that the defendant is making such frivolous complaints only to tarnish the image of the plaintiff. Hence, the suit.

3. The defendant remained exparte despite service of notice.

4. On the side of the plaintiff, P.W.1 has been examined and Ex.P.1 to Ex.P.17 were marked.

P.W.1 – Mr.Magesh

S. No.	***Date***	***Description of documents***	***Exhibit***
1.	18.06.2021	Letter sent by the Registrar of Companies to the plaintiff	P-1
2.	28.06.2021	Copy of reply sent by the plaintiff to the Registrar of Companies	P-2
3.	03.12.2021	Copy of First Information Report given by the defendant dated 03.12.2021	P-3
4.	-	Copy of the final report filed in the Court of Additional Chief Judicial Magistrate 1, Bulandshahr, Haryana	P-4
5.	25.01.2022	Letter sent by the Registrar of Companies to the plaintiff	P-5
6.	04.02.2022	Reply sent by the plaintiff to the Registrar of Companies	P-6
7.	13.03.2022	Notice sent by the plaintiff to the defendant	P-7
8.	29.03.2022	Copy of email sent by the plaintiff to RBI	P-8
9.	01.04.2022	Copy of legal notice issued by the plaintiff to the defendant	P-9
10.	07.04.2022	Copy of the complaint addressed to several	P-10

S. No.	*Date*	*Description of documents*	*Exhibit*
		authorities by the defendant against the plaintiff	
11.	06.05.2022	Copy of the reply sent by the plaintiff to the Deputy Superintendent of Police dated 06.05.2022	P-11
12.	09.05.2022	Letter received by the plaintiff from the State Bank of India	P-12
13.	09.05.022	Copy of the reply sent by the plaintiff to the Deputy Superintendent of Police	P-13
14.	19.05.2022	Copy of the complaint addressed to several authorities sent by the plaintiff along with postal cover	P-14
15.	20.05.2022	Copy of communication addressed to several persons sent by the defendant along with postal cover	P-15
16.	21.06.2022	Copy of the Board resolution	P-16
17.	10.03.2022	Copy of the Order passed in W.P.No.5352 of 2022 along with 65B affidavit	

5. Heard the learned counsel for the plaintiff and perused the records.

6. P.W.1, the authorised signatory of the plaintiff, in his evidence, has stated about various complaints sent by the defendant to the authorities without any substance and also made defamatory allegations. Ex.P.1 indicate that

based on the complaint by the defendant, the Registrar of Companies has asked certain clarification from the plaintiff. The plaintiff has, in fact, sent a reply Ex.P.3. Ex.P.3 is the complaint lodged by the defendant for criminal intimidation which has been investigated and found to be false as per Ex.P.4, certified copy of the Final Report. Ex.P.10 clearly indicate that the defendant has sent the complaint with false allegations to various authorities. Similarly, Ex.P.14 and Ex.15 are the complaints sent by the defendant. Ex.P.17, the Order passed by the Division Bench of this Court in W.P.No.5352 of 2022 dated 10.03.2022 also makes it clear that the respondent has made an attempt to get an Order for CBI investigation. However, the Division Bench of this Court has dismissed the Writ Petition.

7. All the above facts clearly indicate that the defendant is alleging Rs.20 thousand crores scam without any evidence and if really, the allegations have semblance of truth, the Reserve Bank of India and Registrar of Companies would have certainly gone into those aspects. However, nothing has come from those allegations. In such view of the matter, this Court is of the view that a citizen has a right to put forth a complaint with materials. At

the same time, false and frivolous complaints cannot be allowed to continue for ever. Hence, the plaintiff has proved their claim and certainly they are entitled to a decree of permanent injunctions against the defendant from making false and frivolous allegations and there by tarnishing the reputation of the plaintiff. As far as damages is concerned, evidence is lacking with regard to the nature of damages sustained by the plaintiff and accordingly, the relief for damages has to be declined.

8. Accordingly, the suit is decreed with costs for permanent injunction restraining the defendant from making false and frivolous allegations against the plaintiff and from committing any nuisance or other wrongful acts affecting or likely to affect the interests of stakeholders of the plaintiff company or its group companies. As far as the relief of damages is concerned, the suit is dismissed.

31.10.2023

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N.SATHISH KUMAR, J.

vrc

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