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IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 07.06.2025

PRONOUNCED ON : 18.07.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.V.KARTHIKEYAN

C.S.No. 959 of 2015

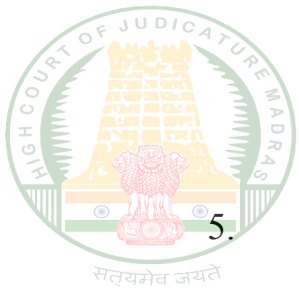
And

A.Nos. 1276 & 8081 of 2015

1. Hena Leather Company
Rep. by its Partners
22/H/6, Bright Street
Kolkata – 700 016.
2. Mr.Ifthakar Najam
3. Mrs.Roquiya Parveen
4. Ms. Sabhia Najam ... Plaintiffs

Vs.

1. M/s. Conceria Virginia Pvt. Ltd.,
50, Raja Muthiah Road, Periamet
Chennai – 600 003.
2. Mr.Asgar Ali Dhala (deceased)
3. Mr.Muhammad Yavur Dhala
4. Zubeida Asgar Ali Dhala



5. Mr. Muhammad Yavar Dhala

6. Atiya Fatima Dhala

... Defendants

[Defendants 4 to 6 are brought on record as LR's of deceased 2nd defendant as per order dated 26.09.2023 in A.Nos. 5004, 5005 & 5007 of 2023 and time extended as per order dated 11.10.2023.]

Prayer : Civil Suit filed under Order VII Rules 1 to 6 CPC read with Order IV Rule 1 of OS Rules, to pass a Judgment and Decree by

a) directing the defendants jointly and severally to pay a sum of Rs.1,33,03,226/- (One Crore Thirty Three Lakh Three Thousand Two Hundred and Twenty Six Only) to the plaintiffs which amount includes interest on the principal of Rs.60,31,161/- (sixty lakh thirty one thousand one hundred and sixty one only) at the rate of 18% p.a., from 31.03.2009 till the date of suit, and further direct the defendants to pay further interest at the rate of 18% p.a., on Rs.6,31,161/- (sixty lakh thirty one thousand one hundred and sixty one only) from the date of suit till date of realisation; and

b) for costs of the suit.

For plaintiffs : Mr. Siddarth Sivakumar
for M/s. Rahul Balaji

For Defendants : set - exparte

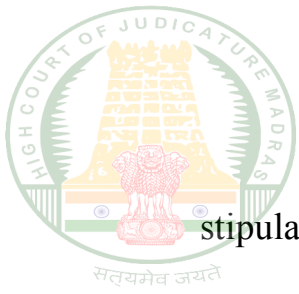
**JUDGMENT**

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C.S.No. 959 of 2015 had been filed by the plaintiffs seeking a Judgment and Decree against the defendants jointly and severally to pay a sum of Rs.1,33,03,226/- (One Crore Thirty Three Lakh Three Thousand Two Hundred and Twenty Six Only) which includes interest on the principal sum of Rs.60,31,161/- (sixty lakh thirty one thousand one hundred and sixty one only) at the rate of 18% p.a., from 31.03.2009 till the date of suit, and further direct the defendants to pay further interest at the rate of 18% p.a., on Rs.6,31,161/- (sixty lakh thirty one thousand one hundred and sixty one only) from the date of suit till date of realisation and for costs of the suit.

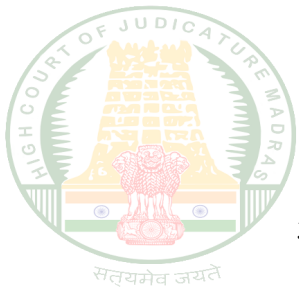
2. A.No. 1276 of 2015 had been filed seeking interim injunction restraining the respondents from alienating the properties described in schedule- 1 to 8 of the Judges summons.

3. A.No. 8081 of 2015 had been filed seeking a direction against the respondents to furnish security to the value of Rs.1,33,03,226/- including interest till the date of final settlement at the rate of 18% p.a., within the



stipulated period and failing which to direct attachment of the properties described in Schedule 1 to 8 of the Judges Summons.

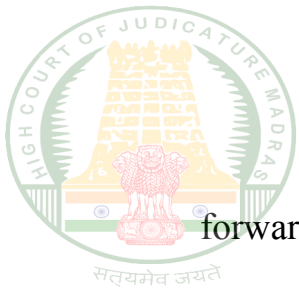
4. In the plaint, it had been contended that the first plaintiff is a partnership firm carrying on business in leather and leather goods and acting as commission agents, contractors, manufacturers, traders, exporters in leather products. The second, third and fourth plaintiffs are the partners of the first plaintiff firm. It had been contended that the first plaintiff had supplied leather products to the first defendant under various invoices right from 2008-2009 onwards. It was contended that for the supply of the leather products, the first defendant will have to effect payment in accordance with the invoices raised. The first plaintiff had supplied goods to a sum of Rs.60,31,161/- and had also raised the invoices. The second plaintiff had sent an electronic mail on 30.05.2014 calling upon the representatives of the first defendant to effect payment. But the first defendant had not responded to the said demand. It had been contended that the first defendant had entered into an agreement for sale of some of their fixed assets, with intention to evade the legitimate claims of the plaintiffs. It was under those circumstances that the suit had been filed seeking the reliefs as stated above.



5. It must also be pointed out that along with this suit, C.S.Nos.953 of 2015, 945 of 2019, 955 of 2015 and 957 of 2015 had also been filed against other group companies of the defendants seeking a similar relief of payment towards leather goods supplied.

6. All the said suits including this suit had been referred to mediation and a communication had been received from the Assistant Registrar, Tamil Nadu Mediation and Conciliation Centre, High Court, Madras, dated 06.01.2017 in file No. 185/2016 that a Memorandum of Compromise had been entered into among the parties. In that Memorandum of Compromise though the civil Suits have been mentioned as C.S.Nos. 953 to 955 of 2015, 957 of 2015 and 959 of 2015, the details with respect to C.S.No. 953 of 2015 and 959 of 2015 were interchanged. A Judgment and Decree was passed on 07.02.2017 in C.S.Nos. 953 to 955 of 2015 and 957 of 2015 by the learned Single Judge of this Court by Judgment dated 07.02.2017, but a similar Judgment was not passed in this suit.

7. It is however seen from records that the Memorandums of Compromise entered into among the parties on 05.01.2017, which had been



forwarded by the Mediation and conciliation Centre also covers the claim made in the present suit.

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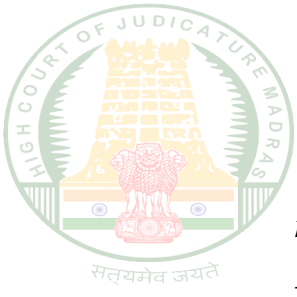
8. In view of that particular fact, this Court records the Memorandum of Compromise dated 05.01.2017 entered into by the plaintiffs and the defendants in all the suit, namely, C.S.No. 953 to 955 of 2015, 957 of 2015 and 959 of 2015 (the present case) and a decree is passed in accordance with the said compromise decree.

9. The compromise had been entered into on the following terms:-

“In the interest of settling the matter amicably, the parties have now decided to enter into a compromise on the following terms:

a. That the defendants herein have confirmed that an outstanding principal sum of Rs.2,24,78,225/- (excluding interest) is due and payable to the plaintiffs, jointly, in respect of the following total claim.

b. That the defendants herein agrees unequivocally to pay the plaintiffs an initial sum of Rs.40,00,000/- (Rupees Forty lakhs) upon signing this Memo of Compromise, out of which the plaintiffs have



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received a sum of Rs.20,00,000/- acknowledgement of which is attached herewith (Annexure 1) A sum of Rs.20,00,000/- is being paid by way of Demand Draft in the name of Glaxy Leathers, payable at Kolkata, a copy of which is enclosed herewith (Annexure 2).

c. That the defendants herein further agrees that the balance of Rs.1,84,78,225/- shall be settled by way of property in the following manner:

(i) The defendants represent that they are in the process of entering into a joint development agreement with M/s. X S Real Properties Private Limited for construction of a Multi-Storeyed Building for the purposes of a residential complex in the premises owned by Forward shoes India Private Limited situated at Pammal Village, Chennai admeasuring 9.76 acres.

(ii) The defendans agree to set aside a portion of 4106 sq.ft., (selling area as described by the developer) equated at Rs.4500/- per sq.ft., in the aforesaid project towards balance of Rs.1,84,78,225/- payable to the plaintiffs, for which the consideration will be paid by forward Leather Company. Any shortfall in covering a unit/unit's space will be paid for by the plaintiffs at the then market price.

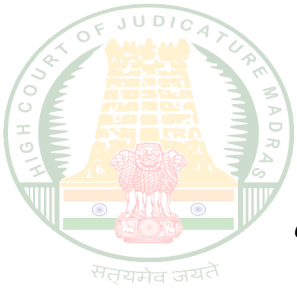


(iii) *The aforesaid property shall be registered jointly in the name of Ms.Sabhia Najam and Ms.Shaista Najam, both residing at 6B, Tijala Road, Flat No.318, Kolkata – 700 046 and the charges for registration alone will be borne by the plaintiffs.*

(iv) *The defendants represent that the aforesaid residential project beyond the 60 months from the date of signing this compromise memo.*

(v) *In case there is any delay to the aforesaid residential project extension for a further 12 months, after which the defendants shall be entitled to an extension for a further 12 months, after which the defendants agree to pay a sum comprising interest on the balance outstanding of Rs.1,84,78,225/- at the rate of 12% p.a., from the date of this Memo of Compromise till date of handover of possession to the plaintiffs.*

(vi) *In case the aforesaid residential project does not commence within 18 months from the date of signing of this compromise memo, for any reason whatsoever, the defendants agree to repay the balance outstanding of Rs.1,84,78,225/- together with interest at the rate of 12% p.a., from the date of this memo of compromise till*



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date of payment, by cheque or demand draft in name of Hena Leather Company.”

10. In view of said Memorandum of Compromise dated 05.01.2017, the Suit is decreed in terms of the memorandum of compromise. Consequently, connected Applications stand closed. No costs. The Memorandum of Compromise dated 05.01.2017 shall form part of the decree. The plaintiffs are entitled for the refund of the entire Court fees.

Vsg

18.07.2025

Index:Yes/No

Web:Yes/No

Speaking/Non Speaking Order

1. List of Witnesses Examined on the side of the Plaintiffs:-

1. P.W.1 – Ifthakar Najam

2. List of Exhibits Marked on the side of the Plaintiff:-

1. Ex.P1 is original Will dated 31.07.2012 executed by Mulaviammal;

2. Ex.P2 is printout of the Death Certificate of Mulaviammal;



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3. Ex.P3 is original land rent issued by the Secretary Arulmigu Agatheeswarar Prasana Venkatesa Perumal Devasthanam in favour of late Mulaviammal dated 21.01.2015;
4. Ex.P4 is E-mail exchanges between parties from 30.05.2014 to 20.10.2015; and
5. Ex.P5 is Memorandum of Understanding for sale of properties of the defendants dated 18.03.2015.

18.07.2025

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C.V.KARTHIKEYAN, J.

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Pre-Delivery Judgment made in

C.S.No. 959 of 2015

And

A.Nos. 1276 & 8081 of 2015

18.07.2025