A NO. 3453 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **04-08-2025**

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THE HONOURABLE MR.JUSTICE K.KUMARESH BABU

A Nos. 3453 & 3454 of 2025

in

C.S.Nos.222 & 223 of 2023

Thomas Chandy Kondody And Another
S/o K.M.Chandy, Kododikal House,
Thirukothamangalam P.O., Pathupally, Kottayam,
Kottyam District Kerala State, and another

Applicant(s)

Vs

M/s Sree Gokulam Chits And Finance Co., (p) Ltd.,
Rep.By Its Vice V.C.Praveen , No.66, Arcot Road,Kodambakkam, Chennai 600 024.

Respondent(s)

For Applicant(s):
Mr.S.Thankasivan
For Mr.I.Joseph
(in both applications)

For Respondent(s):
Mr.L.Rajasekar
(in both applications)

COMMON ORDER

The present applications have been filed to direct the respondent to produce the original proposal for taking over of South India Wire and Ropes Limited, dated 03.03.2014 on the side of the plaintiff.

2. The learned counsel appearing for the applicants would submit that the suit had been initiated by the respondent for recovery of sums of money, which according to them had been advanced as loan to the applicants. However, the applicants had filed a detailed written statement cum counter claim, contending that one South India Wire and Ropes Limited was liquidated and that in the process of liquidation, the applicants have approached the Chairman of the respondent/plaintiff company with a proposal for purchasing the company in liquidation and had also placed on record various financial proposals. The Chairman of the company had also extended his financial support and had also issued a letter to that effect and transferred certain amounts to the applicants, pursuant to the understanding.

3. The applicants had also taken steps to purchase the said company

and had also entered into an agreement with the shareholders of the company for transfer of shares, and the same had also been transferred with named persons, which included the Chairman and the Managing Director of the plaintiff company and as of today, the nominees of the respondent are the shareholders in the company. However, all these facts pleaded in the counter claim were vehemently denied by the respondent/plaintiff as forged and fabricated.

4. He would further contend that the applicants had produced various documents along with the counter claim to substantiate their contentions. He would also rely upon a letter dated 30.08.2015 issued by the Managing Director of the plaintiff and contend that the loan had been extended for meeting the expenses in connection with the revival and purchasing of the company in liquidation. Even assuming it was a loan only extended to the applicants, the plaintiff in the written statement, has not pleaded anything as to how the shares came into the holdings of the directors of the plaintiff company in liquidation, that too, when it has been specifically pleaded that the said company in liquidation, which had been revived, is one of the group companies of the plaintiff.

5. Therefore, he would submit that the applicants were instrumental in getting the share transfer from the shareholders of the company in liquidation in favour of the Directors of the group company of the plaintiff. The pleadings have been made in the suit only to get away from the liability of payment, which is liable to be paid by the plaintiff to the defendants, who are the applicants.

6. He would submit that the documents sought to be produced are all relevant and, therefore, direction as prayed for would have to be granted.

7. Countering the said submissions, Mr. L.Rajasekar, learned counsel appearing for the respondent/plaintiff, would submit that there was no such transaction between the applicant and the respondent. He would submit that only money was advanced to the respondent. Even assuming that the said money was transferred for the purpose of purchasing shares of the company in liquidation and for other liabilities of the said company, the respondent cannot be mulcted with the liability as claimed in the counter claim.

8. He would further submit that the documents are fabricated and after thought documents, casting liability on the respondent/plaintiff. When the respondent has specifically denied having any knowledge of such documents and has contended that the documents have been fabricated, there would be no useful purpose in ordering the applications, and hence, the same deserves to be dismissed.

9. I have considered the submissions made by the learned counsel appearing on either sides and perused the materials placed on record.

10. It is not in dispute that monies were advanced by the respondent to the applicants. The dispute is whether the same was pursuant to a request for a loan or towards purchase of shares in a company in liquidation and to pay its liabilities.

11. These issues can be decided only after trial in the suit and after evidence is recorded at the final stage. From the pleadings in the reply statement, it could be seen that even though the plaintiffs had denied any knowledge of the claims made by the applicant, apart from taking a stand that

the documents have been fabricated, it is to be noted that the screenshots of the website produced as Document No.10 in the written statement cum counter claim, the shares of the company in liquidation now stand in the names of three individuals, of which, two are also Directors in the respondent/plaintiff company.

12. Further, it has been admitted by the respondent/plaintiff that the said company in liquidation has been revived and is one of their group companies. They had not explained as to how the company in liquidation had become one of its group companies.

13. The applicants have also filed agreements entered into by the first applicant with the shareholders of the company in liquidation for purchase of the shares. These aspects have to be gone into. However, the pleadings, as inferred supra, would *prima facie* prove that the first applicant at least has a certain role in the purchase and transfer of shares belonging to the company in liquidation, namely, South India Wire and Ropes Limited.

14. Hence, for the aforesaid reasons, this Court is of the view that the

applications are liable to be allowed as the applicants have made out their case seeking for production of documents by the respondent.

15. Since the prayer in both the applications is for production of the original proposal dated 03.03.2014, which is common in both the applications, Application No.3453 of 2025 in C.S.No.222 of 2023 is allowed, directing the respondent to produce the original proposal submitted by the first applicant dated 03.03.2014 within a period of four (4) weeks from the date of receipt of a copy of this order and the application in A.No.3454 of 2025 in C.S.No.223 of 2023 stands closed. However, there shall be no order as to costs.

04-08-2025

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To
1. M/s Sree Gokulam Chits And Finance Co., (p) Ltd.,
Rep.By Its Vice V.C.Praveen , No.66, Arcot
Road,Kodambakkam, Chennai 600 024.

K.KUMARESH BABU, J.

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