

Chronology of Event leading to this Termination Letter

What is this case all about –

1..Fact of the Matter

I Mr Sanjay Agarwal own a company named “**Quick Advisory Services Pvt Ltd**”.

This is a 15 year old Kolkata based company and I have 95% shareholding of this company .

I am a director in this company alongwith Mr Rahul Tandon .

I took over this company in 2023 .

This is Technology product company and we build ai products to disrupt existing legacy markets and legacy companies .

In Quick , we also take 40-50% or sometimes more stake in companies which have the potential to be made into high powered Ai companies .

2. Our method to taking over legacy companies (legacy companies =non ai product companies) and then transforming them into high powered Ai companies as follows :

1. We first evaluate the potential of the market of the existing target candidate .
2. We evaluate the Ai index of the product the product the target company is selling .
3. If we feel that the market is large and we can build an alternative Ai product for the target company , we then meet the promoters of the Target Company.
4. We then make an offer to take a majority shareholding in the company
5. We explain the existing promoters that we will bring disruption and high valuation in the existing target company with our Ai Products which could be sold in the market instead of the company legal products .
6. If the promoter agrees we then largely do a Rights Issue and bring in fund in the company to fuel the ai product development

3. Our Deal with Sree Mudranalaya Technology Pvt Ltd (Investee Company)

Sree Mudra is a Geo Tech company and has been in the business for the last 15 years .

This company was founded by Mr Roy in 2006

At the time of signing of the Binding and Exclusive Agreement , Mr Asit Roy and wife were Directors and the shareholding was 90% with Mr Roy and 10% was being held by his wife and daughter

This company has done a cumulative business of over Rs 100 cr in the last 15 years

Average turnover of this company is Rs 5cr

4.Business of the company – Formerly Sree Mudranalaya Technology Pvt Ltd (Name now changed to Now Dr Earth Ai Technologies Pvt Ltd in Feb 2025)

This company DIGITISES GOVERNMENT LAND MAPS .

This company works closely with the Government of West Bengal, Land Records Department.

The company works with the government to help government with the Modernisation of Land Records .

Modernisation of Land Records including things such as Digitisation of Land Maps which includes Vectorisation (computer coding of maps), Geo Referencing (latitude and longitude fixing) , Text and Spatial integration etc (website –drearthai.com)

5. Reasons for Mr Asit Roy selling out his company

In 2022 , the company lost out some large government orders .

For 22-23 the company did not have much orders and the revenue fell down to Rs 1.00cr.

For 23-24 , the company was able to secure a 7 cr order from Land Records but was not able to execute this due to technology and financial issues .

During the year 23-24 , the company faced several problems as follows :

The company did not have funds to pay salaries

The company was not able to execute the existing contract as the company was using the manual process to vectorise land maps

To make matters worse for the company in 24-25 , the government of West Bengal had threatened with cancellation of the contract if the Land Records Dept project was not executed in time

The employee of the company dissatisfied and demotivated as the salary was not being paid in time

In this situation Mr Roy wanted to close this company .

He was also open to the idea of selling this company , if someone bid for this company

6..Quick Advisory Services Involvement with the company starting Aug 2025

Our involvement with the company started in July- August 2024 .

I was informed about this Geo Tech company which was for sale

I then studied the prospects of the company and checked if this company fits in the Quick Model of ideal takeover candidates which meant that the company we takeover should have a large market and that we could build and offer the same products with Ai Technologies

After our short and quick research , we found that the this company passed both test of having a large Geo Tech market and the products that it offered could be now made with Ai Tech to reap the Ai benefits

7..Quick in August 2024, then offered to Mr Roy to buy a 75% Stake in the company :

I met Mr Roy and offered and made the following offer :

That Quick Advisory was interested to take a 75% Stake in the Sree Mudranalaya

Quick offere that it would be introducing Rs 3cr in the company through a Rights Issue to make its holding in the company @ 75%

It may be noted that at the time of the Agreement , the existing share capital of the company was Rs 1.00 cr and ownership vested with Mr Asit Roy and his family

We mentioned that we raise the Share Capital of the company to Rs 4.00cr with Mr Asit Roy to keep his existing Rs 1.00cr and Quick will invest Rs 3.00cr in the company through a Rights issue)

8..Signing of the Binding and Exclusive Agreement

We then signed a Binding and Non Exclusive Agreement on 26th August 2024(read as 27th August 2024) with the following condition as the most important condition :

A..Quick will bring in Rs 3.00cr through a Rights issue which will be done in 4 stages

- i. In Stage 1 , we bring in Rs 30 lacs
- ii. In Stage 2 , we bring in Rs 75 lacs
- iii. In Stage 3 , we bring in Rs 75 lacs
- iv. In Stage 4. We bring in the final Rs 120 lacs

The above four stages to be completed within 4 months after the Rights Issue is initiated by the Mr Roy and Shree Mudranalya .

If my be mentioned here that the Rights Issue has to be processed by the Company and they have to initiate all actions to complete the Rights Issues .

Quick as the investor company has to deposit the Rights Issue money after the Rights Issue is announced by the company .

Without the Rights Issue announced by the company Quick did not have the means to issue itself Right Shares .

9. Now what went wrong and brought us to a situation where in we wish to file a criminal case against Mr Roy :

I will try to explain the above in a quick compendium covering the main issues which led to this problem :

i.. The company needed money to survive and we had agreed to bring in money through a Rights Issues .

We were supposed to bring in four stages as follows :

Rs 30 lac in stage 1 , when we had to deposit money in the share application account

Rs 75 lac to pay when company issued notice for the first call

Rs 75 lac to pay when company issued notice for the second call

Rs 120 lac , when company issued notice for the Final call .

Now all the above had to be done within a period of four months when the date when the first stage of the Right Issue

ii. We then put in Rs 21.86 lacs through our HDFC account into the investee company and asked Mr Roy to get the Right Issue process started .

He never did , and on the contrary kept on committing us that he will soon do the Rights Issue.

10. Deceitful and Premeditated Action :

He then started forcing us to pay salaries and all dues of the company without issuing the Rights Shares .

He then promised that he will do the Rights Issue and to prove that he will do this , he asked us to deposit the money in the Share Application Money of the Company.

We assumed that he is now being honest and we should believe him .

We then put in another Rs 24.10 lac from our ICICI Bank account to the investee company Share Application Account .

11. Our Internal Auditor then dropped this 2000 pound Bomb shell on our head when he told about the accounting fraud being perpetrated in Sree Mudranalaya

To his HORROR AND DISBELIEF , he found out that Mr Roy has never intended to do the Rights Issue and he has fraudulently transferred all our Share Application money from Share Application Account to companies account and used all of it .

We were absolutely horrified with this criminal act of Mr Roy .

As per the Agreement , we were allowed to bring in an Internal Auditor to verify all accounts of the company. Our internal Auditor confirmed that Mr Roy has indeed taken the money out of the Share Application account .

Our internal auditor also informed that Mr Roy has nothing to initiate the Rights Offer .

12. We then Confronted Mr Roy and asked him to explain his sinister deeds :

We then has no option but to confront Mr Roy about his fraudulent act and also the reasons for his doing this .

We also insisted that as per terms of Agreement we will do a detailed internal audit of the company to find out more skeletons in his cupboard.

We insisted on a complete internal audit of the company's books

We have a copy of the Internal Auditor skeletal report which mentions about serious accounting fraud .

13. Still not changed and not willing to stop his evil acts despite admonition and later polite threatening to take legal action , Mr Roy does the following ;

Now Mr Asit Roy fully trapped in his own web of deceit and lies does the following unimaginable acts :

He throws the auditors out of his office . He literally asks to audit guys to leave his office .

Quick's access to all company's account is blocked .

He replaced the Office Locks and Keys of Sree Mudranalaya office with a New set of locks and keys such that none of us can enter the office .

He just blocks my , my company ,my internal auditor out of the company and assumes that the money we put in the company for the Rights Issue will dishonestly taken by him

14.And then is does the most despicable , most shocking , most illegitimate and the biggest act of a corporate fraud :

He issues a Termination Letter to a Binding and Exclusive agreement which he had signed with Quick Advisory Services. In the Termination Letter , he cites that because Quick has not being able to bring in the Rs 3.00cr upfront I have decided to terminate the agreement .

This termination letter was unilaterally signed by him . there was not board approval . he then blocks his email for 2 days .

And then he vanishes for 2 days