

BEFORE THE LEARNED COMMERCIAL COURT AT RAJARHAT

TITLE SUIT No.        OF 2025

In the Matter of:-

1. Quick Advisory Services Pvt Limited, having its registered office at Bharat Bhawa, 2<sup>nd</sup> Floor, Room No.C-5,3,CR Avenue, Kolkata-700072.
2. Sanjay Agarwal, Quick Advisory Services Pvt Ltd , working for gain at Bharat Bhawan, 2nd Floor, Room No.C-5,3,CR Avenue, Kolkata-700072

...Plaintiff

- Versus-

1. Dr Earth AI Technologies Pvt Ltd.  
(Formerly Sreemudranalaya Services Pvt Ltd) having its registered office at 12 Binod Saha Lane, Kolkata-700006 and Also carrying on business from Terminus Building (UG Floor) Action Area 1B,

New Town, Rajarhat, Kolkata-700156.

2. Asit Roy, Director, Dr Earth AI Technologies Pvt Ltd (Formerly Sreemudranalaya Services Pvt Ltd) having its registered office at 12 Binod Saha Lane, Kolkata-700006 and Also carrying on business from Terminus Building (UG Floor) Action Area 1B, New Town, Rajarhat, Kolkata-700156.

3. \_\_\_\_, wife. Of Director, Dr Earth AI Technologies Pvt Ltd (Formerly Sreemudranalaya Services Pvt Ltd) having its registered office at 12 Binod Saha Lane, Kolkata-700006 and Also carrying on business from Terminus Building (UG Floor) Action Area 1B, New Town, Rajarhat, Kolkata-700156.

...Defendants

## **SUIT FOR DECLARATION AND INJUNCTION VALUED AT RS.3, 00,000,00**

### **The Plaintiff States:-**

1. The Plaintiff no. 1 is a company within the meaning of the Companies Act, 2013 and the Plaintiff no.2 is the promoter and director of the said company. The plaintiff No.1 company deals with technologies relating to Artificial Intelligence products and aspires to be a market leader in such line of business. The plaintiff no.2 has vast experience in the said line of work and also seeks to invest in other companies involved in similar line of business either by taking over the said company or by becoming a significant shareholder in such companies.
2. The defendant no.1 is also a company involved in geo technology, printing and related works and further deals with various government companies/organization particularly the Land Records department of the Government of West Bengal for modernization and digitization of land records. The defendant no. 2 is the director and majority shareholder of the defendant no.1 company and is the controlling mind of the shareholder company. The defendant no. 3 is the wife of the defendant no. 2 and a former director of the defendant company.
3. The Defendant No.1 was originally known as Sree Mudranalaya Technologies Pvt Limited and over the years has done good business particularly relating to printing and GIS related work. However, over the last few years the revenue of the company deteriorated substantially and the company also lost out on several large government orders which related to digitization of records. Such

loss of potential business of the defendant was on account of lack of knowledge of the Defendant of new Technologies and automation in digitization of land maps work. The loss of revenue was such that the Defendants were unable to properly pay the salaries to its employees on time, was on the verge of closing down and also was about to lose a very large order awarded by the Government of West Bengal was being cancelled.

4. During such times of financial duress the defendant no.2 and 3 approached the plaintiff no.2 through one Mr. Amit Mitra as they got to know from Mr. Amit Mitra about Plaintiff No.2's business acumen and technological knowledge. Defendant no.2 and 3 represented that they would like to have the expertise of the plaintiff no.2 for effectively running the defendant no.1 company and to turn around its fortunes' and to meet its contractual obligations to its clients, particularly the state of West Bengal. It was further represented that the defendants are in financial jeopardy and if the plaintiffs infused a sum of Rs. 3 crore in the defendant no.1 company and 75 % shareholding of the said company would be transferred to the Plaintiff company along with operational control of the said company.
5. Being induced by such representations of the defendant no.2 and 3 and believing the same to be true and correct, the plaintiffs executed an agreement on August 26, 2024 (hereinafter referred to as the said agreement) with the defendants whereby it was agreed as follows:-

- a) A sum of Rs. 3 crores shall be infused by the plaintiff no.1 in lieu whereof 75% of shareholding shall be transferred to the Plaintiff no.1. The infusion of the above capital was agreed to be done in the following manner.
- b) Firstly the current 10 Lakh outstanding shares in the Defendant no.1 company with a Face Value of Rs. 10/- each are split to have a face value of Rs. 1/- each. This will result in the then owners having 1 crore shares of Face value Rs. 1/- per share totaling to a paid-up capital of Rs.1,00,00,000/-.
- c) The defendant no.1 company should then make Rights Issue in the Ratio of 1:3. This means for every one share held by shareholders they will get three shares as rights shares.
- d) The shareholders in the Defendant no.1 company will then renounce the Rights shares totaling 3 crore at Zero value and Plaintiff No.1 company and its associate companies will subscribe to the same at face value.
- e) The total payment for the rights issue will be made in stages as mentioned in the clause one of the Agreement and within a period of four months from the day of rights issue.
- f) The payment of Rs.3 crore shall be made in a phased manner within a period of four months, only after compliance of clause 1(vi) and 1(vii) relating to issue and subscription of rights shares, in the following manner:

| <b>Payment</b>         | <b>Amount Per Rights Share (₹)</b> | <b>Total Amount Payable for 3 crore Rights Share (₹)</b> |
|------------------------|------------------------------------|----------------------------------------------------------|
| Payment on Application | 0.10P                              | 30,00,000                                                |
| Payment on First Call  | 0.25P                              | 75,00,000                                                |

|                        |         |             |
|------------------------|---------|-------------|
| Payment on Second Call | 0.25P   | 75,00,000   |
| Payment on Final Call  | 0.40P   | 1,20,00,000 |
| Total                  | 100.00P | 3,00,00,000 |

- g) There would be change in the board of the company whereby one director of Defendant No.1 company shall retire and 3 directors of the Plaintiff no. 1 Company will be appointed on signing of the agreement and before rights issue and infusion of capital.
  - h) For financial transparency there would be changes in financial control of the defendant no.1 company whereby a head of finance shall be appointed by the plaintiff no.1 and he shall be made joint signatory of the company in all banking operations along with the defendant no.1.
  - i) Before the infusion of funds there would be an internal audit conducted by the auditors appointed by the plaintiff company.
6. Without even the obligations of the plaintiff being triggered under the agreement, Plaintiffs as an act of good faith complied with their obligations under the agreement, as well as taken further steps for effective running of the affairs of the company *inter alia*, in the following manner:-
- a. The primary and foundational obligation under the Agreement was upon the defendants to initiate the Rights Issue and renounce their rights shares in favour of the plaintiffs according to Clause one. However, despite being required to take these steps first, Defendants failed to make any effort whatsoever towards initiating the Rights Issue.

Instead, they insisted that the plaintiffs make advance payments, even though no such obligation had arisen under the Agreement. Relying on the repeated assurances of Defendant No. 2 that the Rights Issue would be initiated promptly, the plaintiffs, in good faith, proceeded to pay a sum of ₹45,96,000/-. Out of this, ₹24,10,000/- was transferred directly to the designated Share Application Account of Defendant No. 1, and ₹21,86,000/- was paid into the current account of Defendant No. 1.

- b. The plaintiffs have consistently made efforts to fulfill their obligation under Clause 2 of the Agreement, which required the appointment of three directors nominated by the plaintiffs to the Board of Defendant No. 1 company. However, these attempts have been actively resisted by the defendants, particularly on the ground that no control by the plaintiffs would be permitted until the entire capital infusion was completed, despite the Agreement clearly prescribing that the acquisition and operational involvement would occur in stages. In view of this resistance and the practical impasse created, and after several rounds of discussion, that plaintiff had no other option but to agree that, until the Rights Issue and full infusion of capital were effected, Mr. Amit Mitra, who was then serving as a director of Plaintiff No. 1 company and was also a long-standing acquaintance of the defendants, would be added to the Board of Defendant No. 1 company. It is pertinent to note that it was through Mr. Amit Mitra that the defendants initially approached the plaintiffs, and his interim induction to the Board was accepted by all parties as a reasonable transitional arrangement,

pending full compliance with the share subscription mechanism. This further evidences the plaintiffs' willingness to cooperate and progress the transaction in good faith, while the defendants continued to frustrate core terms of the Agreement.

- c. The plaintiffs, in furtherance of their obligations under clause 4 of the agreement, appointed an auditor to audit Defendant No.1 Company. However, instead of cooperating with the audit process as contractually required, the defendants willfully obstructed the audit.
- d. The plaintiffs even without their reciprocal obligations under the said agreement having arisen, have duly partly performed its obligations arising out of the said agreement. However, the defendant nos. 1 and 2, right since the inception of the contractual relationship, failed to comply with their reciprocal obligations save and except director Smt. Anita Ray resigned and Mr. Amit Mitra was appointed as director in the defendant no.1 company.
- e. The Plaintiff No. 2 has put his heart and soul into the revival and growth of the Defendant No. 1 company. From the very outset, Plaintiff No. 2 began observing the internal functioning of the Defendant No. 1 company, and identified a key technology bottleneck namely, that the existing workflow was causing significant delays in meeting the turnaround time required for government contract relating to the digitisation of land records. Recognising the urgency of this challenge, Plaintiff No. 2 personally invested considerable time and effort to resolve this. He initiated discussions with Mr. Dhananjay Agarwal of DAG Consulting, New Jersey (USA), and facilitated a strategic



partnership to build an intellectual capital-backed solution using computer vision and automation. The goal was to reduce the processing time from the existing 14.5 hours to under 7 hours, and eventually, much lower.

- f. On 15th January 2025, the Plaintiffs engaged DAG Consulting (USA) under a formal contract to digitise land maps using computer vision. This was a \$10,000 engagement, and the Plaintiffs even paid an advance of \$1,000. Initially, 10 sample land maps were sent from Defendant No. 1 to DAG via email. DAG successfully processed them using proprietary computer vision methods, reducing the workflow. Following this success, 100 more land maps were sent by the defendants to DAG for full-scale processing.
- g. To ensure continuity and in-house capacity building, the plaintiffs and then brought in local GIS specialists into the Defendant No.1 company to replicate DAG's methods and build an internal automation pipeline. In parallel, the Plaintiff No.2 engaged with global GeoTech leaders such as Bunting Labs (USA), EMS – Engineering Maps Solutions (USA), SCAN2CAD (UK), and leading AI experts to explore AI-integrated digitisation systems for enhanced accuracy and scale. These efforts represent deep intellectual and operational investment made by Plaintiff No. 2 in Defendant No. 1 Company, far beyond any financial stake, and were geared solely towards building a sustainable and scalable technology-driven future for the Defendant No.1 Company.

- h. The plaintiff no.2 had vast experience in Information Technology Hardware and Software, which would help in the business of the company particularly in the sales and he was actively involved in the day to day affairs of the defendant no.2 company.
- i. The plaintiff sought to develop a marquee and industry first Land Records and Registry (LRR) Artificial Intelligence platform which would immensely augment the revenue of the defendant company by drawing potential investors and was proceeding to develop the same and held meetings with several prospective investors and have executed agreements thereof.
- j. The name of the defendant company was further changed to Dr. Earth Ai Technology Pvt. Ltd. to make it more compliant with its area of business and a fresh certificate of incorporation was issued on 31<sup>st</sup> January 2025 and the Plaintiffs further developed a new website of the company reflecting a new and more technology-oriented positioning of the company
- k. There was a quantum jump in increase of productivity of the company as prior to the involvement of the plaintiff was digitizing only 1000 maps a month which increased by almost a 50% jump whereby they were digitizing 1800-2000 maps in May of 2025 against 1000 maps done in 2024. Such an increase in efficiency was brought about by the involvement of the skilled team and technology introduced by the plaintiffs into the affairs of the defendant company.

7. While the plaintiffs complied with their obligations arising out of the agreement and took further steps to augment the business of the defendant no.1, however the defendants blatantly failed to comply with their obligations under the agreement in the following manner :-

- a) The initiation of the Rights Issue, as contemplated under Clause 1 of the Agreement, was the first and most fundamental obligation cast upon the defendants. However, the defendants willfully failed to take any steps towards initiating the Rights Issue in the manner prescribed by the Agreement and in compliance with the Companies Act, 2013. As per clause one, only upon completion of the Rights Issue would the plaintiffs' obligation to infuse capital arise. In complete disregard of this structure, and in breach of their obligations, the defendants did not initiate or complete the Rights Issue. Yet, relying on the repeated assurances and representations made by Defendant No. 2 that the Rights Issue would be promptly undertaken, the plaintiffs, acting in good faith despite there being no contractual obligation, parted with a sum of ₹45,96,000/- between September 2024 and March 2025 towards subscription of partly paid-up shares. Of this amount, ₹24,10,000/- was deposited into the designated share application account, and the remaining ₹21,86,000/- was transferred to the current account of Defendant No. 1. The conduct of the defendants in failing to carry out the foundational step under the Agreement while continuing to extract funds from the plaintiffs amounts to a serious and deliberate breach of contract.
- b) In complete violation of Clause 3 of the Agreement, no formal appointment letter was ever issued to the plaintiffs' nominated Head of Finance. Though

Plaintiff No. 2 was informally permitted to act in the capacity of the Head of Finance on certain occasions, he was never made a joint signatory to the bank accounts of Defendant No. 1 as required under the Agreement, thereby denying him access and control over financial transactions. Eventually, all system passwords, including access to Tally, were changed without notice, and Plaintiff No. 2 was even prevented on multiple occasions from accessing the office premises. These actions were not only in breach of express contractual provisions but also reflect a deliberate intent to exclude the plaintiffs from oversight and to operate in a non-transparent and obstructive manner.

- c) Further, despite Clause 4 of the Agreement clearly providing for an internal audit by the plaintiffs, the auditor appointed by them, Mr. Sujoy Dey, was not permitted to conduct the audit, thereby preventing the plaintiffs from carrying out a proper financial and compliance-based due diligence of Defendant No. 1 company.

- 8. The plaintiffs have at all times demonstrated their complete readiness and willingness to perform their obligations under the Agreement and have made every possible effort to contribute to the growth and development of Defendant No. 1 company. From identifying inefficiencies in the company's workflow to proposing and implementing technology-driven solutions, the plaintiffs have gone well beyond their contractual obligations to ensure the revival and success of the company's operations. The plaintiffs have engaged domain experts, established collaborations with international consultants, and invested significant time, effort, and intellectual capital, all in good faith and

with the objective of transforming Defendant No. 1 into a robust and efficient enterprise. At no point have the plaintiffs defaulted in their commitments or attempted to evade any part of the agreement. On the contrary, it is the defendants who, despite receiving the benefits of such efforts, have continuously acted in breach of their own obligations

9. However, rather shockingly, the defendant no. 2 purportedly acting on behalf of the defendant no.1 by a written communication dated 11<sup>th</sup> June 2025 illegally and unilaterally terminated the said agreement on vague, cryptic and *mala fide* grounds. The purported termination is illegal, malafide and in absolute bad faith.
10. The allegations leveled in the purported termination notice are all false and untrue and contrary to the terms of the agreement. The plaintiff's obligation to infuse capital under the agreement did not even get triggered as the defendants failed to comply with their binding obligations arising out of the agreement particularly towards rights issue, despite the same, the Plaintiffs acting in good faith and being induced by the defendant nos. 1 and 2, the plaintiff parted with sum of money to the tune of Rs. Rs.45,96,000/-.
11. The plaintiff duly replied to such purported notice of termination by its communication dated 14<sup>th</sup> June 2025 and pointed out the litany of false statements contained in the termination notice and sought to amicably resolve the matter but despite of receipt of the same no response was received by the plaintiff.

12. Having no other alternative the plaintiff served a notice upon the defendants through their Advocate on 20<sup>th</sup> June 2025 thereby pointing out the breaches committed by the defendants and calling upon the defendants to act in terms of the said agreement. Upon receipt of the same instead of remedying the breaches the defendants by their purported reply dated 27<sup>th</sup> June 2025 raised vague, false and frivolous issues which have no manner of bearing towards the obligations arising out of the agreement and they further sought to deny the performance of the agreement and/or receipt of consideration thereof. The plaintiffs through their Advocates reply dated \_\_\_\_\_ have duly controverted the allegations levelled in the reply dated 27<sup>th</sup> June 2025.

13. It is thus manifest from the conduct of the defendants that they are acting in a malafide manner with the sole intent to defraud the plaintiffs. Having induced the plaintiffs to part with valuable sums of money to the tune of Rs.45,96,000/- and further obtaining technical, intellectual and infrastructural benefit from the plaintiff and persons brought into by the plaintiff, the defendants now are denying their obligations arising out of the agreement.

14. The conduct of the defendants are downright fraudulent and in breach of the trust reposed upon them. The defendants have fraudulently induced the plaintiffs to invest financial and intellectual capital in the defendant no. 1 company and after such inducement and obtaining the benefits from the plaintiffs which have augmented the day-to-day affairs of the company, the defendants have unilaterally and illegally terminated the agreement.

15. The conduct of the defendant nos. 2 are also detrimental to the prospective growth of the defendant no. 1 company, as the company would lose out on potential investors who have shown interest in investing in the company based on the representations of the plaintiff no. 2 in respect of AI powered Land Records and Registry (LRR) platform developed by the plaintiff no. 2.
16. The plaintiffs further apprehend that the defendants have siphoned off the sums from its bank account to defraud the plaintiffs and the investors.
17. The defendants have further attempted to hinder the peaceful participation of the defendants in the business of the plaintiff and has time and again obstructed the plaintiff no.2 from accessing the office premises of the plaintiff no.1. The Plaintiff has already lodged a complaint against the defendants for their illegal acts and actions before Rajarhat Police Station.
18. The plaintiff no.1 has always been ready and willing to perform its obligations arising out of the said agreement and intends to comply with its obligations but the defendants by their actions and inactions are denying performance of the said agreement and have unilaterally terminated the agreement, which is wholly illegal and malafide and contrary to the terms of the agreements.
19. The intellectual capital infused by the plaintiffs into Defendant No. 1 company is of an irreversible and non-compensable nature. The plaintiffs have conceptualised, developed, and partially implemented strategic improvements, technological interventions, and operational reforms that have materially enhanced the functioning and long-term prospects of the company.

These contributions go far beyond monetary investment and represent the plaintiffs' unique know-how, research, and specialised expertise, which now form an integral part of the company's workflow and intellectual framework. The defendants, having derived substantial benefit from this intellectual capital, are now wrongfully attempting to exclude the plaintiffs from the company, which is prima facie in breach of the Agreement. Such conduct is not only inequitable but also defeats the very purpose of the agreement. No monetary compensation can adequately remedy the loss and injustice arising from this unilateral termination, as the value and impact of the intellectual capital cannot be returned or precisely quantified. The only just and appropriate relief in the circumstances is the specific performance of the Agreement by the defendants, in accordance with law. The Plaintiffs have been trying to grow the company on a global front and are ready and willing to perform all their obligations under the agreement.

20. The plaintiffs are entitled to and pray for a decree of specific performance of the agreement dated August 26, 2024 by directing the defendants no.1 and 2 to jointly and severally perform their obligations arising out of the agreement.

21. The plaintiffs are entitled to and pray for a decree of declaration that the notice of termination dated June 11<sup>th</sup> 2025 is in bad faith and the same be delivered up and cancelled.

22. The plaintiff are entitled to a decree of permanent injunction restraining the defendants from changing the constitution of the defendant no.1 company.



23. The plaintiffs are further entitled to a decree of permanent injunction restraining the defendants and/or their agents, associates and vendors, business partners and assignees from giving further effect to the letter of termination dated 11<sup>th</sup> June 2025.

24. The plaintiffs reasonably apprehend that the sums paid to the defendant may have been siphoned off and in such circumstances they are entitled to an order of permanent injunction directing the plaintiffs from not operating their bank accounts without keeping apart a sum of 45,96,000/- ( being sums paid by the plaintiff )

25. The plaintiff is also entitled to and prays for a decree for rendition of accounts for establishing the manner in which the funds have been utilized.

26. In view of urgency in the matter considering the defendants are siphoning off funds from the business on a day to day basis and there is every possibility that they shall change the constitution of the plaintiff company and as the instant suit contemplates urgent interim reliefs and, the plaintiff prays for dispensation of the provisions of Section 12A of the Commercial Courts Act, 2015 in relation to pre-initiation mediation and/or settlement which would be an empty formality and are filing a separate application praying for such leave. In any event correspondence exchanged by and between the plaintiffs and the defendants would show there is no possibility of any mediation.

27. The plaintiff is filing this instant suit in great haste and other claims against the defendants which cannot be conveniently adjudicated within the scope and ambit of the present suit and as such, the plaintiff prays for leave under Order II Rule 2 of the Code of Civil Procedure, 1908 to institute the appropriate suits and/or proceedings before the Learned Court and/or any other appropriate forum for adjudication of its rights in relation to the claims which are not covered by the present suit.

28. The disputes pertaining to this instant suit are a commercial dispute from an agreement for transfer of shares for consideration of Rs.3 crores and is also a transaction between merchants and traders relating to mercantile documents. Thus, the disputes relating to the suit are commercial disputes in excess of specified value and as such this Learned Court has jurisdiction to try and determine the present suit.

29. That the cause of action of the present suit first arose on and from 11<sup>th</sup> June 2025 when the agreement was terminated by the defendants unilaterally and further on 27<sup>th</sup> June 2025 when the defendants by their communication refused to perform their obligations arising out of the agreement.

30. No part of the plaintiff's claim is barred by the law of limitation.

31. Inasmuch as the said agreement was executed at the office of the defendant and the business of the defendant is being carried from its office within the jurisdiction of this Learned Court, therefore, this Learned Court has pecuniary jurisdiction to entertain, try and determine the instant suit

32. The plaintiff has paid maximum court fees of Rs.50,000/-.

The plaintiff claims leave under Order II Rule 2 of the Code of Civil Procedure and further leave under Section 12A of the Commercial Courts Act, 2015 and claims:

- (a) A decree of declaration that the termination of agreement dated 26<sup>th</sup> August 2024 under the letter dated 11<sup>th</sup> June 2025 is in bad faith and contrary to the agreement and is null and void.
- (b) A decree for delivery up and cancellation of the letter dated 11<sup>th</sup> June 2025
- (c) A decree of specific performance of the agreement dated August 26,2024 by directing the defendants nos. 1 and 2 to jointly and severally perform their obligations arising out of the agreement.
- (d) A decree of permanent injunction restraining the defendants from changing the constitution of the defendant no.1 company including its capital structure.
- (e) A decree of permanent injunction restraining the defendants and/or their men, agents and assigns from giving further effect to the letter of termination dated 11<sup>th</sup> June 2025.

(f) A decree of permanent injunction restraining the defendants and/or their men, agents and assigns from hindering the free ingress and egress of the plaintiff no.2 and/or his men and agents from accessing the office of the defendant no.1 and all accounts.

(g) Decree for rendition of accounts for establishing the manner in which the funds have been utilized.

