



## IN THE HIGH COURT OF JUDICATURE AT MADRAS

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Reserved on 27.11.2025	Pronounced on 05.01.2026
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CORAM

**THE HONOURABLE MR.JUSTICE N.SENTHILKUMAR****A No. 3547 of 2024****in****C.S(COMM DIV) NO. 31 OF 2024**

M/s Mega International Commercial Bank  
Co Ltd  
Offshore Banking Branch Represented by its  
Branch Manager  
No.100 Jilin Road Zhongshan District  
Taipei City Taiwan

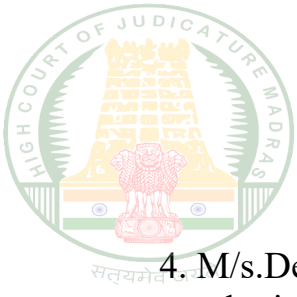
Applicant(s)

Vs

1. Mr Chandrakanth  
Proprietor, M/s.Adishwar Impex,  
1<sup>st</sup> Floor, No.126/1,  
K.S.Garden, 4<sup>th</sup> Cross, Lalbagh Road, Sudhama  
Nagar, Bangalore Urban, Karnataka 560 027.

2. M/s.Grand Dignity Industrial Co. Ltd., rep. By  
its Power of Attorney Agent Mr.Chandrakanth,  
10F, No.356, Fuxing N.Rd,  
Taipei City, Taiwan.

3. M/s.Trade Direct Europe Ltd.,  
rep. by its Director,  
One Canada Square, 37th Floor,  
Canary Wharf, London,  
E14 5AA, United Kingdom.



4. M/s.Deutsche Bank AG(Frankfurt),  
rep. by its Branch Manager,  
Taunusanlage 12, Frankfurt AM Main,  
Germany.

5. M/s.MAERSK Line India Pvt. Ltd.,  
rep. by its Authorised Signatory,  
3rd Floor, Prestige Palladium Bayan,  
Greems Road, Thousand Lights West,  
Chennai 600 006, Tamil Nadu, India.

Respondent(s)

**PRAYER**

To pass an order to revoke the leave to sue granted to the plaintiffs by order dated 14.2.2024 in A.No.854 of 2024.

For Applicant:	Nishanth S Kadur for M/S.P.Raj Kumar Jhabakh
For RR1 and 2:	Ms.Dipthi Munoth.A. for M/s.Priyanka R.
For R4:	Mr.Raghavendra Ross for M/s.Dua Associates

**ORDER**

The present Application has been filed by the second defendant in the suit seeking to revoke the leave to sue granted to the plaintiffs by order dated 14.2.2024 in A.No.854 of 2024.

2. Brief facts of the case of the Applicant/Defendant No.2 are as under : -

2.1. The Plaintiffs have filed a suit seeking a permanent injunction to prevent Defendants 1 to 3 from making payments under three Letters of Credit



viz., Letter of Credit No. F3OBAH2O139/1AQ dated 8<sup>th</sup> December 2023 ("LC-1"), Letter of Credit No. F3OBAH2O141/1AQ dated 12<sup>th</sup> December 2023 ("LC-2") and Letter of credit No. F4OBAH20006/1AQ dated 5<sup>th</sup> January 2024 ("LC-3"). These Letters of Credit were issued by the Defendant No.2 in Taiwan at the request of Plaintiff No.2. Defendant No.2 has already filed its Written Statement in the Suit.

2.2. The Plaintiff No.2 had asked Defendant No.2 to issue the Letters of Credit in favour of Defendant No.1 and they are governed by UCP 600 rules. Defendant No.3 is the nominated bank. On 18.01.2024, Defendant No.3 presented the entire documents to Defendant No.2 for encashment of LC-1 & LC-2 on 22.01.2024. After examining the documents, Defendant No.2 found several discrepancies viz., mismatched GST numbers, incorrect details in the Bill of Lading, improper place of issuance, issues in the pre-shipment inspection certificates and inconsistent dates. The UCP 600 Rules requires the banks to examine documents and therefore, Defendant No.2 issued a formal communication of the same. None of these communications happened in India, as the parties are located in Taiwan, Germany and the United Kingdom.

2.3. While so, on 06.02.2024, Plaintiff No.2 wrote to Defendant No.2 to stop payments under the Letters of Credit and initiated legal proceedings in the Taiwan District Court. Plaintiff No.2 had sought a provisional injunction to



restrain payments until a final decision is reached by Taiwan District Court. On 7.03.2024, Plaintiff No.2 filed a Civil Complaint in Taiwan, to nullify its contractual relationship with Defendant No.1, to declare that no debt exists under the Letters of Credit and to affirm that there is no payment obligation in respect of the Letters of Credit in issue. These proceedings are still pending. In spite of the proceedings in the Taiwan court, the Plaintiffs had filed the present suit before this Court on 15.02.2024, with similar prayer. On 8.04.2024, the Taiwan District Court granted provisional injunction to the Plaintiff No.2, restraining the Defendant No.2 from making any payments, subject to providing security by the Plaintiff No.2.

2.4. Except the Defendant No.4, against whom no relief is sought, none of the parties reside or function in Tamil Nadu. The Plaintiffs rely on the fact that Chennai was the intended port of discharge for delivery of goods in order to claim that a part of the cause of action has arisen within the territorial jurisdiction of this Court. According to the Applicant, the said fact is irrelevant because the suit concerns only the Letters of Credit, not the underlying contract. Plaintiff No.1 is not even a party to the Letters of Credit.

2.5. The fraud is said to have arisen from presentation of documents in Germany and subsequent receipt of documents in Taiwan and not in Chennai.



The only act mentioned in the Plaint is a letter written by Plaintiff No.1 to the Commissioner of Customs, Chennai seeking permission to scan the vessel carrying the cargo. Therefore, no relevant cause of action has arisen within this Court's jurisdiction.

2.6. India is not the appropriate forum for this dispute. Nothing in the Letters of Credit indicates that Indian law applies. Moreover, Plaintiff No.2 has already chosen Taiwan as the forum by filing a case. Continuing the suit in India would cause serious hardship to Defendant No.2 and paves way for parallel proceedings in two countries over the same dispute. This would lead to unnecessary expense and a risk of conflicting judgments.

2.7. The Plaintiffs will not suffer any prejudice, if this Court revokes the leave to sue. Plaintiff No.2 has already secured a provisional injunction from the Taiwan District Court, which covers the same subject matter.

3. The crux of the submission of the learned counsel for the applicant/second defendant is as under:-

3.1.The Plaintiffs seek permanent injunction in relation to Letters of Credit issued in Taiwan by the Defendant No.2, at the request of Plaintiff No.2 situated at Taiwan, confirmed by Defendant No.3 situated at Germany payable



to Defendant No.1 situated at London. Though Defendant No.4 is having an office in Chennai, it is only an agent of a Danish entity and no relief is sought against it. Plaintiff No.1 is the only Indian and he is not a party either to the underlying contract or to the Letters of Credit and has no privity of contract with any of the defendants. The Letters of Credit were issued and handled outside India.

3.2.The present suit is in respect of the Letters of Credit and not the sale contract between Plaintiff No.2 and Defendant No.1. It is settled law that Letters of Credit are independent of the underlying transaction. Therefore, the place of delivery of goods cannot confer jurisdiction.

3.3.No material part of the cause of action has arisen in Chennai. No act relating to the Letters of Credit took place in India and the allegations of fraud and misrepresentation between parties also happened in Taiwan and London. Courts have repeatedly held that a trivial or incidental connection is insufficient to invoke jurisdiction, and in such circumstances, leave to sue ought to be revoked.

3.4.Plaintiff No.2 had already initiated proceedings in Taiwan before filing the present suit, seeking suspension of payment under the very same Letters of Credit. The Taiwan District Court has granted a provisional injunction



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restraining payments, which continues to operate and the matter is actively pending there. The Plaintiffs' claim that Taiwan court lacks jurisdiction over the Letters of Credit is misleading, and the courts in Taiwan only has declined jurisdiction over the underlying contractual dispute, not over the Letters of Credit. Since the Plaintiffs are already protected by effective orders in Taiwan, the balance of convenience clearly favours continuation of proceedings in Taiwan.

3.5. Indian law is not applicable to the said Letters of Credit. They were issued in Taiwan. Forcing the defendants to face parallel proceedings in India would cause prejudice and inconvenience. For these reasons, the learned counsel prays that the application be allowed and the leave to sue granted in favour of the Plaintiff/first Respondent be revoked in the interest of justice and equity.

4. The submission of the learned counsel for respondents 1 and 2/plaintiffs, in a nutshell, is as under:-

i) The goods covered under the underlying contract are meant to be delivered at Chennai Port. However, the goods were diverted by the first defendant to Lithuania, as evidenced by the communication of the fourth



defendant, the carrier of goods, and subsequently, the first defendant had attempted to secure payment in respect of the Letters of Credit by utilising fraudulent documents. As the intended destination for delivery of goods is the Chennai Port, a part of cause of action has arisen within the jurisdiction of this Court.

ii) Further, in Trade Case No.2 of 2024 (Year 113) filed by the second plaintiff as against the first defendant herein before the Taiwan District Court, the said court has held, by its order dated 25.6.2024, as under:-

*"The plaintiff is incorporated under the laws of the British Virgin Islands, and the defendant is incorporated under the laws of the United Kingdom. The incorporation documents provided by the plaintiff are on file and verifiable. Neither party is incorporated under Taiwanese law. Although the plaintiff established an office in Taiwan after filing the law suit, the contracts were made between foreign companies with performance obligations in India, unrelated to Taiwan. Considering these facts exercising jurisdiction in Taiwan would contravene principles of fairness, proper adjudication and procedural efficiency. Accordingly, under Article 249, Paragraph 1, Subparagraph 2 of the Civil Procedure Code, the plaintiff's law suit is dismissed."*

iii) The appeal preferred in Case No.113-Kang-Zi-914 by the second plaintiff was also dismissed by the Taiwan High Court on 26.8.2024, holding as under:-

*"Considering the foregoing, Taiwan courts lack international jurisdiction over the dispute between the appellant and respondent. Previous litigation in India and the respondent's participation in that litigation further support denying Taiwan jurisdiction to avoid*



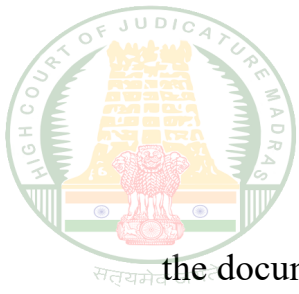
*violating principles of fairness, appropriateness and procedural efficiency. The District Court corrected concluded that Taiwan courts lack international jurisdiction and dismissed the appellant's claim. The appellant's contentions are without merit."*

iv) In the facts and circumstances of the case, there being a part of cause of action within the jurisdiction of this court, the plaintiffs are constrained to invoke the jurisdiction of this court by seeking leave of the court to sue and thereby the leave granted by this court to the plaintiffs to sue the defendants 1 to 3 holds good and it does not warrant any interference.

5. The fourth defendant contended that he is only a formal party in this suit and he has nothing to do with the adjudication between the plaintiffs and defendants 1 to 3 herein.

6. Heard the learned counsel appearing for the parties and perused the materials available on record.

7. It is clear that the second plaintiff has initiated necessary proceedings against the applicant/first defendant before the Taiwan Court and obtained an order of injunction as against the present Applicant on 8.4.2024. However, the submissions made by the learned counsel for the third defendant pointing out the documents with regard to payment made to the first defendant shows that LC1 and LC2 were already honoured. Admittedly, the defendants have filed



the documents showing the payment of amount due under LC1 and LC2.

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8. In ***Prashant Hasmukh Manek vs. Ramu Annamalai Ramasamy*** (2019

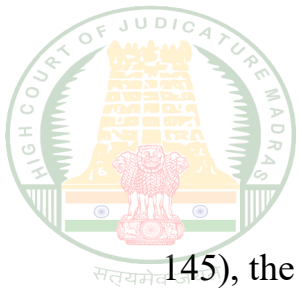
SCC OnLine Mad 5869), a Division Bench of this court has held as under:-

*"25. Forum non-conveniens would normally involve when two Courts have jurisdiction. The concept of forum nonconveniens is also to be seen in the context of cause of action. There may be a case where an element of oppressive and vexatious action exist, not involving forum non-conveniens. For example, a suit can be filed in Court which does not even have a jurisdiction. This suit is certainly a vexatious one. Secondly, a suit can also be filed contrary to the agreed terms in the arbitration agreement. In such cases, there is no difficulty in holding that a Court of Second instance can come to the aid of the party which is facing such oppressive and vexatious litigation. This is for the reason that there is absolutely no jurisdiction in the first instance and there is a breach of contract involved in the latter. It is for the party which alleges litigation to be vexatious and oppressive to satisfy the Court. The jurisdiction of the court is limited to the extent of finding the existence of element of such oppressiveness and vexatiousness.*

*6. Though the plea of forum non-conveniens can be raised in any one of the two courts, when the proceedings are already pending between the parties before the first Court, then it would be appropriate to proceed further instead of going to other Court, especially when a process of verification of jurisdiction is done. Remedy, in such a case, in any form, will have to be proceeded only before the first court."*

The observations in the above judgment are squarely applicable to the facts and circumstances of the present case.

9. In ***Madanlal Jalan vs. Madanlal and others*** (1945 SCC OnLine Cal.



145), the Calcutta High Court has observed as under:-

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*"25. On a consideration of the legal principles established by the judicial decisions mentioned above it seems to me that **balance of convenience** is a material consideration in the exercise of discretion under Clause 12. From these judicial authorities the following propositions may, I think, be enunciated:*

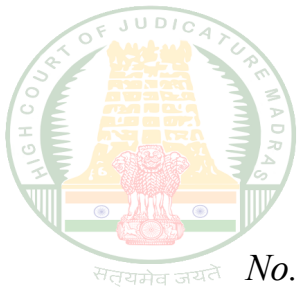
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*(g) that in giving or refusing leave or maintaining or revoking leave the Court will ordinarily take into consideration the balance of convenience and may, if the balance is definitely in favour of the Defendant, apply the doctrine of **forum conveniens**;"*

As per the above dictum, when a suit is already instituted in another Court, it would not be fair to subject the defendants to a parallel proceedings before this Court.

10. In *Bhuramuli Maskara & another vs. Ram Kumar Maskara & others* (1951 SCC OnLine Cal 36), the Calcutta High Court has held as under:-

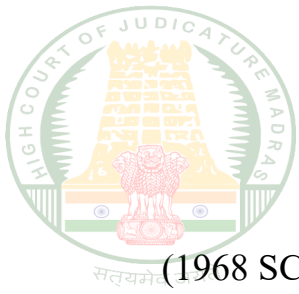
*"6. Apart from this, even if the interest of the parties in the said premises No.173, Harrison Road which is nothing more than interest of a monthly tenant in half of a room had been the subject-matter of this suit, even then, I would have in exercise of my discretion revoked the leave which had been granted under cl. 12 of the Charter. The petitioner's case before me, as alleged in the petition is that the said gadi at No.173, Harrison Road, where the business is carried on was situate in a room at the said premises 173, Harrison Road, & occupied only half of the said room for which a rent of Rs.22-8-0 used to be paid to the landlord. The said business, according to the petitioner, had come to an end in the year 1947 & it had totally stopped since that year. The respondent in their affidavit-in-opposition have not denied, so far as I could find out, that the said business used to be carried on in half of a room in the said premises*



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*No.173, Harrison Road, Calcutta, & a monthly rent of Rs. 22,8-0 used to be paid to the landlord, but they stated that the said business continued until the year 1949 when by reason of the wrongful act & conduct of the defendant, Ramkumar Maskara the said business came to a standstill. Thus the item of property which is the only item which could be said to be within the jurisdiction of this court out of a long list of properties consisting of about 50 in number is nothing but the interest in a monthly tenancy with respect to half of a room in premises No.173, Harrison Road, Calcutta. If that is the position, then, I would in exercise of my discretion revoke the leave which has already been obtained. In my opinion, both in the matter of granting & revoking leave already granted under Cl.12 of the Charter there is always an element of discretion vested in court. The word 'leave' in cl.12 suggests it. In my opinion, merely because a part of the cause of action arises or a part of the land is within the jurisdiction of this Court, a litigant cannot claim as of right that leave under cl.12 of the Charter before filing his suit or that leave already granted under cl.12 at the initial stage should be retained. In the case of Madanlal v. Madanilal, Das J. laid down as one of the tests that if only a part of the cause of action arose within the jurisdiction then it is a question of discretion for the Court to give or refuse leave or where leave has already been granted to revoke or maintain the leave. Apart from this, on the question of bad-faith as Das J. E. also held in that case, the "insignificance of the part of the cause shown to have arisen within jurisdiction" may "by itself suggest bad motive." In my opinion the said observation is equally applicable to the case where almost a negligible part of the a properties in a suit for partition is within the jurisdiction of the court. in which the suit is filed. In this case also it may be contended that the fact, that the jurisdiction of this court has been sought to be founded on the existence of an almost insignificant part of the properties belonging to the parties, would by itself suggest bad motive. As I have already said that the business carried on at the said premises on the admitted case of both parties had come to an end at least a year before & the property in question is only a tenancy right with respect to a half portion in a room situate at No.173, Harrison Road, Calcutta."*

11. In another decision viz., **Rekhab Chand Jain vs. Paras Das Bhartiya**



(1968 SCC OnLine Cal 72), the Calcuatta High Court has held as under:-

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*"8. It is settled law that for the purposes of invoking jurisdiction of the Court the expression "Cause of action" has a distinct connotation. Merely saying that something has happened within the jurisdiction of this Court would not be effective in conferring jurisdiction on the Court or to ask for leave under Clause 12 of the Letters Patent. It must first be a cause of action in the suit; secondly, such cause of action must arise within the jurisdiction of this Court and thirdly, that part of the cause of action on which jurisdiction is sought for, must affect the defendant or defendants against whom relief is asked for. In this case, the averments made in paragraph, 2 of the plaint have been made to establish that the defendant has written, signed and published the impugned letter containing the alleged, defamation at Mainpuri. That makes out a good cause of action for the purpose of proceeding against the defendant in a suit. The cause of action for damages is complete but that part of the cause of action would not confer jurisdiction on this Court because that has arisen outside the jurisdiction of this Court. Therefore, the plaintiff has to make some more averments whereby the defendant would be made liable to the plaintiff."*

As clearly observed in the above judgments, the communication relied upon by the Plaintiffs to invoke the jurisdiction of this Court is nothing but an insignificant fact. Leave to sue granted in favour of the plaintiffs need not be maintained on the strength of the said letter.

12. In the present case, except a communication showing the destination port as Chennai, no cause of action is shown by the plaintiffs to have arisen within the jurisdiction of this court. Further, the second plaintiff, who had



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entered into sale contract with the first defendant and opened the Letters of Credit in question, had initiated proceedings against the first defendant in the Taiwan Court and obtained some relief in the nature of injunction. Moreover, the Letters of Credit are independent from the underlying contract between the second plaintiff and the first defendant. Therefore, taking cue from the above decisions, this Court finds that there is not even a part of cause of action that has arisen within the jurisdiction of this Court, in this matter to seek indulgence of this court and therefore, the leave already granted by this court has to be necessarily revoked.

13. Accordingly, leave to sue already granted by this Court is hereby revoked and the present Application stands allowed. No costs.

**05.01.2026**

ssk.

Index: Yes/No  
Speaking/Non-speaking order  
Internet: Yes  
Neutral Citation: Yes/No



To  
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1. Mr Chandrakanth, Proprietor, M/s. Adishwar Impex,  
1<sup>st</sup> Floor, No. 126/1, K.S. Garden, 4<sup>th</sup> Cross,  
Lalbagh Road, Sudhama Nagar,  
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Frankfurt AM Main, Germany.

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3<sup>rd</sup> Floor, Prestige Palladium Bayan,  
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16

A No. 3547 of 2024

**N.SENTHILKUMAR J.**

ssk.

**P.D. ORDER IN A.No. 3547 of 2024 in  
C.S(COMM DIV) No.31of 2024**

**Delivered on  
05.01.2026**