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C.S. No.382 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.08.2023

CORAM:

THE HONOURABLE Ms. JUSTICE R.N.MANJULA

C.S. No.382 of 2020

1. M/s.Kondaduvom Entertainment,
Represented by its Partner,
S.Venkataraman
2. Goutham Vasudev Menon
Represented by his Partner,
M/s.Kondaduvom Entertainment,
S/o. Mr.Prabhakrishnan,
69-A, Babibulah Road,
T.Nagar, Chennai – 600 017.
3. S.Venkataraman
Represented by his Partner,
M/s.Kondaduvom Entertainment,
S/o. Mr.J.Somasundaram,
69-A, Babibulah Road,
T.Nagar, Chennai – 600 017.
4. P.Madan
Represented by his Partner,
M/s.Kondaduvom Entertainment,
S/o. Mr.Pandy,
69-A, Babibulah Road,
T.Nagar, Chennai – 600 017.

... Plaintiffs

Vs.



M/s.Acolyte Soft Pvt. Limited,
Rep. by its Authorised Signatory,
Badri Kasthuri,
102/36, Defence Officers Colony,
Ekkatuthankal,
Chennai – 600 032.

... Defendant

Civil Suit is filed under Order IV Rule 1 of Original Side Rules r/w.
VII Rule 1 of CPC to pass a judgment and decree:

i) declaring the Deed of Compromise dated 27.11.2019 purported to be between the plaintiffs and the defendant as illegal, null and void ab initio and not binding on the plaintiffs, and if necessary, setting aside and cancelling the same and granting the ancillary and consequential relief directing the defendant, its officers and servants to forthwith return to the plaintiffs the cancelled deed along with cheque bearing No.000051 dated 27.01.20, drawn on RBL Bank Ltd., R.A.Puram Branch, Chennai – 600 028 that which were extracted by the Defendant from the second plaintiff under cover of the said Deed of Compromise dated 27.11.2019;

ii) permanent injunction restraining the defendant, its offices, servants and agents from relying / proceeding further on the Negotiable Instruments more specifically cheque bearing No.000051 dated 27.01.2020, drawn on RBL Bank Ltd., R.A.Puram Branch, Chennai – 600 028 for a sum of Rs.1,50,00,000/- extracted pursuant to the Deed of Compromise dated 27.11.2019

iii) the costs.



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C.S. No.382 of 2



For Plaintiffs : Ms.Revathi Manivannan
for M/s.AAV Partners
For Defendant : Ex-parte

JUDGMENT

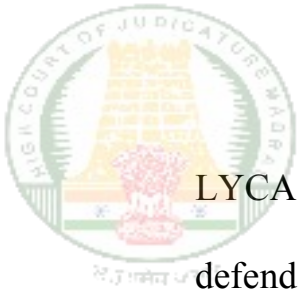
This Civil Suit has been filed to declare the deed of compromise dated 27.11.2019 purported to have been executed between the plaintiffs and the defendant as illegal and null and void and not binding on the plaintiffs and to set aside and cancel the same and consequentially direct the defendant to return the cancel deed along with the cheque bearing No.000051 dated 27.01.2020 drawn on RBL Limited, R.A.Puram branch, Chennai which was obtained by second plaintiff from the defendant under the cover of compromise along with permanent injunction restraining the defendant from proceeding with the Negotiable Instruments Act with respect of the above cheque.

2. The averments in plaint in brief:

The first plaintiff is a partnership firm carrying on business in producing movies and the plaintiffs 2 to 4 are the partners of the first plaintiff. The fourth plaintiff is also involved in film production in the name and style “Escape Artists Motion Pictures” and produced various films. From the year 2017, the defendant company was floated by one Badri Kasturi and



Satyan Kasturi who are brothers. They approached the first plaintiff through the plaintiffs 2 to 4 and expressed their willingness to invest money in the movie production and for which they insisted the plaintiffs 2 to 4 to sign blank stamp papers / blank papers / blank letter heads / promissory notes etc. as a pre-condition for such transfer of funds. Accordingly, the plaintiffs 2 to 4 have issued those signed documents. From 04.01.2016 to 28.09.2018 the plaintiffs have received payment from the defendant to the tune of Rs.1,53,50,000/- and for which the plaintiffs have repaid a sum of Rs.2,64,87,000/-. Thus the plaintiff had paid an excess amount of Rs.1,11,37,000/- as on 28.09.2018. Thereafter the defendant had transferred the total sum of Rs.1,50,00,000/- on 28 and 29th September 2018 to the defendant and agreed to give credit for excess amount of Rs.1,11,37,000/- paid by the plaintiffs. The said payment of Rs.1,50,00,000/- was forwarded to the lead actor of the movie “DhuruvaNatchathiram”, produced by the first plaintiff. The said movie was funded by LYCA Production company. Hence LYCA Production has undertaken to repay the amount to the defendant. However, LYCA production failed to pay such a sum to the defendant. Since one of the defendant’s company went into liquidation, the plaintiffs wrote letters to LYCA Production, to pay Rs.1,50,00,000/- to the defendant. But



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LYCA productions failed to comply the request. During that time, the defendant filled up a blank cheque bearing No.001721 dated 26.08.2019 drawn on ICICI Bank, T.Nagar and presented the same for encashment and the same was not honoured by the bankers of the plaintiffs. Without giving credit to the various payments made by the plaintiffs, the defendant misused the first plaintiff's letter to LYCA Production and filed a summary suit. In the said suit the defendant had filed an application for attachment before judgment. The Court has also passed a conditional order directing the plaintiffs to furnish security for a sum of Rs.1,50,00,000/- on or before 04.09.2019 and failure to do to attach the movie "Ennai Noki Payum Thotta".

2.1 Taking advantage of the situation, Badri Kasturi, through the defendant, refused to give credit to the various payments made by the plaintiffs to the defendant and forced the plaintiffs to sign the deed of compromise dated 27.11.2019 as a condition precedent for withdrawal of the suit and interim application. Left with no other option, the plaintiffs 2 to 4 signed the deed of compromise dated 27.11.2019 two days before the release of the movie "Ennai Nokki Payum Thotta" under duress and coercion in the



presence of one Balaji and others at a place where the defendant able to exercise his power. The defendant had also forced the second plaintiff to issue cheque for a sum of Rs.1,50,00,000/-. The terms of compromise was entered on 27.11.2019 and recording the terms of compromise the suit was dismissed as settled out of Court on 28.11.2019.

2.2 The plaintiff repaid the earlier sum of Rs.30,00,000/- by pledging jewels apart from the outstanding to the credit of the plaintiffs Rs.1,11,37,000/-. So in all there is only a balance of Rs.3,63,000/- to be paid by the plaintiffs. Despite the plaintiffs tried to settle things with the defendant by explaining the real situation, Badri Kasturi and Sathyan Kasturi were not willing to reconcile the accounts. On the other hand they presented the cheque bearing No.000051 dated 27.01.2020 for a sum of Rs.1,50,00,000/- issued by the second plaintiff in favour of the defendant under the compromise dated 27.11.2019 and got the cheque returned. So thereafter the defendant had filed the suit in C.S.No.149 of 2020 and in the said suit, the defendant had filed A.No.1348 of 20 attaching the judgment. So the compromise was a forced one and there was unequal bargaining between the plaintiffs and the defendant. Since the compromise deed is of no



value on the eye of law, the plaintiffs have come out with this suit to declare the same as null and void and for other consequential reliefs.

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3. The defendant remained ex-parte.

4. Heard the learned counsel for the plaintiffs.

5. The third plaintiff examined himself as P.W.1 and Exs.P1 to P6 were marked.

6. Excepting the statement of the plaintiffs, no other independent evidence is produced to show that the deed of compromise dated 27.11.2019 was obtained due to force of coercion. On perusal of the settlement agreement dated 27.11.2019 it is seen that the defendant and the first plaintiff represented by their partners plaintiffs 2 to 4 have entered into a settlement in respect of the claim made in C.S.No.513 of 2019. In support of the said terms, the plaintiffs have also issued a cheque for a sum of Rs.1,50,00,000/- to the defendant.



7. The alleged coercion or force has not been proved by the plaintiffs.

Since the parties have made their appearance and told before the Court at the time when the earlier compromise memo was filed that they were interested in the settlement, the compromise memo was recorded. The plaint appears to have been filed as just a delaying tactics in making payment in respect of the cheque issued to the defendant for a sum of Rs.1,50,00,000/-. Without establishing fraud or coercion, the plaintiffs cannot get the decree as prayed. Even though the plaintiffs have made many allegation against Badri Kasturi and Satyan Kasturi, they were not added as party to the proceedings.

8. The terms of settlement was read out to the parties and they have voluntarily accepted and only thereafter a compromise decree has been passed. Having made their appearance before the Court and agreed to the terms of compromise, the suit has been filed as an after thought and hence the plaintiffs are not entitled to the relief as prayed for.

9. For the above stated reasons, this Civil Suit is dismissed.

18.08.2023

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**APPENDIX****Witnesses examined:**

P.W.1 – S.Venkataraman

List of documents:

<i>Exhibits</i>	<i>Documents</i>
P1	Copy of plaint in C.S.(Comm.Div.) No.513 of 2019 filed by the defendant before the High Court, Madras.
P2	Order dated 30.08.2019 passed in A.No.6420 of 2019 by the High Court, Madras
P3	Settlement Agreement dated 27.11.2019
P4	Copy of Cheque No.000051 for Rs.1,50,00,000/- dated 27.01.2020
P5	Copy of Statement of accounts of the plaintiff
P6	Copy of digitally signed order passed by the learned Arbitrator.

18.08.2023

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C.S. No.382 of 2

R.N.MANJULA, J.,

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18.08.2023