IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-03-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

OA No. 127 of 2026 and A.No.1548 of 2026
in C.S.(Comm.Div.) No.49 of 2026

OA No.127 of 2026

1. D Ramesh
   No. 11/2, Muthial Reddy Street, Alandur,
   Chennai- 600 016

2. B Dayanithi
   S/o.Mr.K,Balakrishnan,
   Whole Time Director, NTL India Limited,
   Having place of office at
   No. 11/2, Muthial Reddy Street,
   Alandur, Chennai- 600 016

3. M/s.NTL India Limited
   (CIN- U63040TN2005PLC055690)
   (Formerly known as NTL India Private
   Limited)
   A Company registeed under the Companies
   Act,1956,
   Rep.By its Managing Director,Mr.D..Ramesh
   Having its Registered Office at
   No. 11/2, Muthial Reddy Street,
   Alandur, Chennai- 600 016

..Applicant(s)

Vs

1. G Saravanan
   S/o.Mr.Ganapathy,
   residing at No.2/202, Perumal Kovil Street,
   Mettukuppam, Mugalivakkam,
   Chennai-6000125

2. M/s.Jaimaruti Powers (India) Private Limited
   (CIN-U40108TZ2013PTC019932),
   Rep by its Director Mr.G.Saravanan,
   A company incorporated under the Companies
   Act, 1956,
   Having its Registeed Office at
   No. 55, Shanmuga Layout Ondipudur,
   Coimbatore, Tamil Nadu- 641 016

3. M/s.New Travel Lines India Private Limited
   (CIN-U60221TN2020PTC135377)
   Rep.by its Director Mr.R.Baskar,
   A Company incorporated under the Companies
   Act, 2013,
   Having its registered Office at
   No.1, Gangai Street, Ram Nagar North,
   Madipakkam, Chennai- 600 091

4. Mr.Siva Shanmugam
   Proprietor of SST Automotive
   Having place of Business at
   No. 2, 60 feet road, VM Nagar,
   Tiruvallur, Tamil Nadu- 602 001

..Respondent(s)

PRAYER: To grant an order of interim injunction restraining the Respondents, their agents, servants or anybody claiming through or under them from communicating to the Stock Exchanges ROC or other authorities concerning the steps taken by Applicant No.3 for Initial Public Offer through the Stock Exchanges pending disposal of the above suit.

For Applicant(s): Mr.Venkatavaradan
for M/s.Sriram Venkatavaradan

For Respondent(s): M/s.Sahil Nathani

ORDER

The first plaintiff, second plaintiff and first defendant were Directors and promoters of the third plaintiff. They were also shareholders of other entities not directly relevant for purposes of adjudicating the present applications. Pursuant to mediation proceedings before Mr.Justice N.Kirubakaran, a former Judge of this Court, parties executed Deed of Memorandum of Comprehensive Settlement Agreement dated 13.08.2024 (the Settlement Agreement). Thereafter, the third plaintiff filed a Draft Red-Herring Prospectus (DRHP) in relation to a proposed initial public offer (IPO) in the SME Board of the Bombay Stock Exchange (the BSE).

2. Upon communications being addressed by the first defendant to the BSE and the Securities and Exchange Board of India (SEBI), the plaintiffs instituted the present suit seeking damages and injunctive relief to restrain the defendants from committing breach of the Settlement Agreement.

3. At the hearing on 13.02.2026, an order of ad interim injunction restraining the defendants from issuing communications in breach of the undertaking in clauses 24 and 25 of the Settlement Agreement was granted until the next date of hearing. Said order was extended from time to time and

remains in force as on date. The first defendant has applied for clarification of order dated 13.02.2026.

4. The contentions of learned counsel for the plaintiffs in support of the original application may be summarised as under:

(i) The Settlement Agreement was entered into after multiple hearings before learned Mediator. Minutes of proceedings held between May 2024 and 06.10.2025 were referred to in this regard.

(ii) The first defendant received an aggregate sum of Rs.13,00,00,000/- as consideration under the Settlement Agreement *inter alia* in relation to the transfer of his shareholding in the third plaintiff to the other plaintiffs. Such sale consideration has been retained by the first defendant till date.

(iii) The allegation regarding suppression of the affairs of the third plaintiff is incorrect. The financial statements of the third plaintiff were handed over to the first defendant during the hearing on 21.02.2025.

(iv) The Settlement Agreement provided for a comprehensive settlement of disputes between the first and second plaintiffs, on the one hand, and the first defendant, on the other, in relation to their stakes in multiple companies, which joined as confirming parties thereto. Clauses 3, 8, 10(d), 13, 20, 24 and 25 contain material terms of such comprehensive settlement.

(v) As a schedule to the Settlement Agreement, the aggregate liability of the third plaintiff was recorded as Rs.34,00,00,000/- and indemnity bond dated

01.08.2024 was executed in respect thereof in favour of the first defendant.

(vi) In spite of receiving all benefits under the Settlement Agreement and retaining the same, the first defendant addressed communications to the Registrar of Companies (RoC) and the BSE raising untenable objections *inter alia* in relation to valuation and suppression. Said communications were replied to by the third plaintiff.

(vii) Under Section 19 of the Contract Act, 1872 (the Contract Act), a contract is voidable if the consent to such contract was caused by coercion, fraud or misrepresentation provided the same is established by the party complaining that his consent was not free. Unless the first defendant establishes that his consent was vitiated by one of the above mentioned factors, the Settlement Agreement is valid and binding.

5. The contentions of learned counsel for defendants 1 to 4 in response may be summarised as under:

(i) Upon coming to know about financial irregularities committed by the first and second plaintiffs, a police complaint was lodged. This resulted in the registration of a FIR and Crl.O.P.No.9039 of 2024 was filed in relation thereto by the first and second plaintiffs.

(ii) The first defendant realised that he had been manipulated into accepting a lower valuation. Therefore, he has filed a suit challenging the Settlement Agreement as null and void.

(iii) Any member of the public is entitled to raise grievances in relation to an IPO. The validity of such grievances should be decided by the statutory authority, namely, SEBI or the BSE, as the case may be.

(iv) The first and second defendants have made misstatements in the DRHP regarding the comprehensive settlement and its effect on FIR No.292 of 2023.

(v) Either the order of interim injunction should be vacated or it should be clarified that such order does not restrain the first defendant from raising grievances with SEBI or the BSE and from prosecuting the pending writ petition.

6. The Settlement Agreement has been placed on record. It is evident that such Settlement Agreement bears the signatures of the first and second plaintiffs herein, who are described therein as parties of the first part, and the first defendant, who is described as the party of the second part therein. It also bears the signature of persons representing six confirming parties, including the third plaintiff herein. Clauses 3, 15, 20, 24 and 25 of said agreement are set out below:

"3. In furtherance to the above said clause (2), the payment of Rs.13,00,00,000/- (Rupees Thirteen Crores only) made by the Parties of the First Part to the Party of the Second Part as consideration are mentioned below:-

a) Rs.5,00,000/- (Rupees Five Crores only) paid by way of *cheque bearing No.007214, dated 16.05.2024 drawn on ICICI Bank, Alandur branch, in favour of the Party of the Second Part.*

b) Rs.49,00,000/- (Rupees Fofty-Nine Lakhs only) paid by way of cheque bearing No.046541 dated 25.05.2024 drawn on ICICI Bank, Thiruvanmiyur branch in favour of the Party of the Second Part.

c) Rs.49,00,000/- (Rupees Forty-Nine Lakhs only) paid by way of cheque bearign No.000093 dated 25.05.2024 drawn on ICICI Bank, Thiruvanmiyur branch in favour of the Party of the Second Part.

d) Rs.1,02,000/- (Rupees One Crore and two lakhs only) by way of Demand Draft dated 24.05.2024, drawn on ICICI Bank, Alandur branch, in favour of the party of the Second Part.

e) Rs.3,00,00,000/- (Rupees three Crores only) paid by way of cheque bearing No.000070, dated 12.09.2024 drawn on IDFC First Bank, Nungambakkam branch, Chennai, by the First of the Parties of the First part in favour of the Party of the Second Part. In the event of the aforesaid amount of Rs.3,00,00,000/- (Rupees three Crores only) paid before 12.09.2024 the aforesaid postdated cheque shall be returned by the Party of the Second Part to the First of the Party of the First part.

f) Rs.3,00,00,000/- (Rupees Three Crores only) paid by way of cheque bearing No.000039, dated 12.09.2024 drawn on IDFC First Bank, Kottivakkam branch, Chennai, by the Second of the Parties of the FIRST PART in favour of the Party of the Second Part. In the event of the aforesaid *amount of Rs.3,00,00,000/- (Rupees three Crores only) paid before 12.09.2024 the aforesaid postdated cheque shall be returned by the Party of the Second part to the Second of the Parties of the First Part.*

The receipt of aforesaid payments are duly accepted and acknowledged by the Party of the Second Part, and all these payments are treated as consideration for the transfer of shares of the First Confirming Party to relinquish the entire rights and liabilities of the Party of the Second Part from the First Confirming Party Viz. NTL (INDIA) PVT. LTD., to and in favour of the Parties of the First Part and for all other incidental purpose. The payments aforesaid made by the Parties of the First part to the Party of the Second Part shall be adjusted towards the various heads of account as stipulated in ***Schedule 'C',*** *hereunder.*

15. The Parties of the First Part and Party of the Second Part to this Settlement Agreement have filed criminal complaints against each other and initiated civil proceedings either directly or indirectly. The Details of such proceedings along with case number, count, investigating agency and authority are provided in ***Schedule 'D'****. The parties shall withdraw all the criminal complaints, count cases, and all legal proceedings by the respective parties unconditionally and without any reservations along with all the allegations and averments made therein, and, in this regard, necessary letters / applications / memos / vakalaths / petitions / undertakings will be executed to ensure that all cases / FIRs either withdrawn or quashed or cancelled. The parties of the First part hereby withdrew all allegations made against the party of the second part in respect of SST Automative, NTL Technologies and Good APP Taxis solutions* *and will not make any allegations against these entities in future. The parties of the first part and first and third confirming parties shall restrain themselves from making any allegations either directly or indirectly against party of the second part, second, fourth and fifth confirming party(s) or any entities or firm owned and possessed by the party of the second part at any point of time, vice versa. Likewise, the party of the second part shall withdraw all the allegations made against the parties of the first part in respect of the first and third confirming parties, the sixth confirming party and all other allegations and criminal complaints which are levelled by the party of the second part and the persons known to the party of the second part as against the party of the first part in respect of the affairs of the companies or any entities or firms. That all the allegations made by the party of the second part as against the unconditionally withdrawn by the party of the second part. There shall be no litigation, complaints, disputes, legal proceedings of whatsoever nature as between the parties of the first part and the party of the second part and all persons connected to them.*

20. The parties agree that there shall be no liabilities, civil or criminal, whatsoever, on the other party, after the fulfillment of all the obligations as per this agreement in companies in which they are neither shareholders nor directors. Likewise, there shall be no rights or claims on assets, shares, etc. whatsoever, on all the confirming companies, after the fulfillment of all the obligations as per this agreement in companies in which they are neither shareholders nor directors. For the sake of clarity, the Parties of the First part shall not have any rights or claims in the second confirming company after fulfillment of their obligations as per this agreement. Likewise, the *party of the second party shall have no rights or liabilities in the first and the third confirming parties after payment of consideration as arrived in the present settlement agreement.*

24. The parties of the first part, first confirming party and party of the second part have raised various allegations against each other before various forums, authorities, courts, Tribunal etc. The parties hereby declare and vouch that all allegations made against each other in the past and present, stand extinguished, nullified and unconditionally withdrawn. The parties hereby undertake that they will not make any further allegations against each other either on the conducting / administration / involvement or any other affairs / events of all the confirming party (ies) or any firm / company / individual/s.

25. It is hereby declared by the parties to this settlement agreement that the entirety of the terms and conditions which are hereby agreed, arrived and affirmed by the parties of the First part and the party of the second part in respect of all their rights and entitlements, obligations and liabilities hereby crystallized into writing and signed by the parties is once in for all final, concluding absolute and definitive and the same cannot be changed, altered, transformed or revoked either in part or whole for any reason whatsoever including any alleged claim that the consideration arrived in this settlement agreement is less, small or reduced when compared to the market value and it is hereby specifically affirmed that the matter was much deliberated and considered and finally arrived in the presence of this Hon'ble Mediator and the entirety of the terms and conditions are binding upon the parties who are signatories and are enforceable as against them respectively without *any changes of whatsoever nature, at a later point of time at as by way of an afterthought or for any reason whatsoever."*

7. Schedule B of the Settlement Agreement specifies the list of creditors and total liability of the third plaintiff. The total liability is recorded as Rs.34,00,00,000/-. The Settlement Agreement provides for indemnification of the first defendant in relation thereto by the first and second plaintiffs. Indemnity bond dated 01.08.2024 was executed in favour of the first defendant to protect against such liability. It is common ground between the parties that the total consideration of Rs.13,00,00,000/- was paid by the first and second plaintiffs to the first defendant. As on date, such sum has been retained by the first defendant. The first defendant has also enjoyed the benefits of indemnification. It is also stated that the first and second plaintiffs have discharged several liabilities of the third plaintiff thereafter.

8. As is evident from clauses 15, 20, 24 and 25, parties have agreed not to make allegations against each other and to withdraw all criminal complaints and legal proceedings against each other. In clause 25, it was expressly agreed that no claim would be made on the ground that the consideration arrived at in the Settlement Agreement is low in comparison to the market value. The valuation report cited by the first defendant as evidence of under-valuation is on discounted cash flow (DCF) basis, wherein estimated future cash flows are

discounted to the present value. Unless the first defendant succeeds in his suit in establishing that the Settlement Agreement is voidable on that ground as being vitiated by the absence of free consent, said agreement remains binding on the parties. Such determination can only be made in course of final disposal of said suit.

9. At this interlocutory stage, the question that falls for consideration is whether the defendants should be restrained as prayed for by the plaintiff in view of the above contractual obligations. Especially in the context of the Settlement Agreement having been acted upon with the first defendant receiving substantial benefits thereunder, I am of the view that a strong *prima facie* case is made out. The other defendants are entities controlled by the first defendant and were also parties to the Settlement Agreement. Such control was achieved partly on account of obligations accepted by the first and second plaintiffs in the Settlement Agreement. As regards balance of convenience, as noticed earlier, the third plaintiff has filed the DRHP in relation to an IPO. The object and purpose of the IPO is to mobilise capital for the business of the entity. The first defendant has filed a writ petition for cancellation of the in-principle approval granted by SEBI in relation to the proposed IPO. The communications issued by the first defendant to SEBI and the BSE appear *prima facie* to advance personal and not public interest. Unless restrained, it is likely that irreversible injury would be caused to the third plaintiff and all its stake holders.

10. For reasons aforesaid, the following orders are issued:

(i) O.A. No. 127 of 2026 is allowed by restraining the defendants from communicating with the BSE, RoC, SEBI or other authorities in contravention of obligations undertaken under the Settlement Agreement until disposal of the suit.

(ii) In view of the above order, the application for clarification is dismissed.

30-03-2026
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SENTHILKUMAR RAMAMOORTHY, J.

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