IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15-04-2026

CORAM

THE HON'BLE DR.JUSTICE A.D.MARIA CLETE

A No. 6079 of 2025
in
C.S. No. 211 of 2025

Mr. S. Yogeshwaran
S/o.Late. Mr.J.R.Sundaresan,
J-102, Grayshott, No.4,
Bishop Garden Extn., RA Puram,
Chennai-600028

..Applicant(s)

Vs

Vitalcore Industrials Private Limited
(Formerly Avejana Management and Advisory
Services Pvt.Ltd.,) 144, 5th Cross Street, 2nd
Avenue, Vettuvankeni, Injambakkam,
Chennai-600115 and also at No.3/8, 41st Street,
Nanganallur, Chennai-600061

..Respondent(s)

To grant leave to the Plaintiff to file a Replication/Reply to the Written Statement filed by the Defendant in the present suit.

For Applicant(s): M/s. Rajesh Ramanathan
S.Sriraman
S.Diwakar
Karthikeyan S
R.KUMaRESAN
Aishwarya Ganesh
Dr.Sudhir Ravindran
D.Pushpalatha
Kv.Bisvasdev

For Respondent(s): Mr.P.J.Rishikesh

Mr.P.J.Sri Ganesh
Ms.Pravartha

ORDER

This application has been filed by the plaintiff seeking leave of this Court to file a reply statement/rejoinder to the written statement filed by the defendant in the above suit.

2.The suit in C.S.No.211 of 2025 is one for recovery of a sum of Rs.1,75,00,000/- said to represent the plaintiff's 50% share under the Revenue Sharing Agreement dated 11.12.2020, together with consequential reliefs. The foundation of the plaint is that the defendant recovered a sum of Rs.3,50,00,000/- from M/s. GK Sons Engineering Enterprises Private Limited, but failed to pay the plaintiff his 50% share thereof. The plaint proceeds on the footing that the Revenue Sharing Agreement is enforceable according to its terms and that the defendant wrongfully refused to honour the same. The plaint documents also include the Exit Agreement dated 11.12.2020, the Revenue Sharing Agreement dated 11.12.2020, the settlement document dated 03.07.2024, the plaintiff's demand notice dated 12.08.2024, the defendant's reply dated 06.09.2024, and the plaintiff's rejoinder dated 18.09.2024.

3.From the plaint and the documents filed along with it, the plaintiff's broad case appears to be this: that under the Exit Agreement the plaintiff ceased to be a shareholder/director and under the contemporaneous Revenue Sharing Agreement the defendant agreed to pay him 50% of any amount recovered from GK Sons; that the defendant later entered into arrangements culminating in recovery/settlement of Rs.3,50,00,000/-; that such recovery attracted the plaintiff's contractual right; and that the defendant, instead of accounting for and remitting the plaintiff's share, withheld the same. The Revenue Sharing Agreement itself states that 50% share is payable to the plaintiff in the event any amount is recovered and further includes within its scope direct or indirect financial gain for the company.

4.The written statement of the defendant, however, raises a more elaborate defence than a mere denial. The defendant pleads that its total investment in GK Sons was Rs.6,12,53,083/-; that the underlying investment comprised debentures and loan; that the plaintiff, who was then one of the directors, had agreed to recover the dues from GK Sons with applicable interest and returns; that initially he was not to be paid unless he recovered the full amount inclusive of interest and returns; that the e-mail exchanges of 26.11.2020 and the surrounding circumstances show that the Revenue Sharing Agreement was executed only in that context; that as of 01.07.2024 Rs.19.45 crores was allegedly due from GK Sons; that the plaintiff did nothing to effect recovery; and that the ultimate settlement of Rs.3.50 crores was obtained by the company's own efforts after the demise of Mukund. The written statement further pleads that the plaintiff would be entitled to 50% only if the company made profit or collected its returns, and since neither condition was satisfied, no amount is payable to him. It also asserts that the defendant has suffered losses and that the plaintiff has no right to claim any share.

5.It is thus clear that the written statement is not confined to traversing the plaint averments. It seeks to qualify and cut down the plaintiff's contractual claim by introducing a particular construction of the transaction, namely, that the plaintiff's alleged right under the Revenue Sharing Agreement was conditional upon his successfully recovering the entire dues together with returns, and that the agreement has to be read in the light of antecedent e-mail exchanges and the plaintiff's alleged obligation to effect recovery.

6.The proposed reply statement, which the plaintiff now seeks leave to file, answers the written statement along three principal lines. First, it says that the defendant's reliance on earlier communications is misplaced because the final written agreements dated 11.12.2020 govern the parties. Secondly, it denies that there was any unconditional obligation on the plaintiff to recover the entire dues with interest and returns, and contends that the best endeavour language in the Exit Agreement cannot be converted into an absolute condition precedent to payment under the Revenue Sharing Agreement. Thirdly, it says that the defendant's subsequent assignment and settlement arrangements, including the settlement dated 03.07.2024 and the concealment thereof from the plaintiff, cannot be used to defeat the plaintiff's contractual share. The proposed reply also reiterates that the plaintiff's right flows from the Revenue Sharing Agreement and that the recovery of Rs.3.50 crores triggered the obligation to pay 50% thereof.

7.The plaintiff's affidavit in support of the present application is to the effect that the written statement contains new factual assertions and self-serving interpretations not found in the plaint, especially the case that the plaintiff's entitlement was contingent on complete recovery with returns, and that a formal reply is necessary for proper adjudication of the controversy.

8.The defendant has filed a counter affidavit opposing the application. The central objection raised in the counter is that the proposed reply statement does not merely respond to the written statement but introduces a new cause of action and a new basis for relief. The counter specifically compares the plaint averments with the proposed rejoinder and contends that while the plaint relied on the best endeavour basis and the terms of the Revenue Sharing Agreement, the proposed rejoinder seeks to introduce a different case that the plaintiff's right to 50% arose as consideration for resignation, transfer/sale of shares and advisory services, which, according to the defendant, had not been pleaded in the plaint or earlier legal notice. The defendant therefore says that the plaintiff is trying to improve his case and that no new fact has been pleaded in the written statement warranting a rejoinder.

9.The point that arises for consideration is whether the proposed reply statement is liable to be received?

10.On a careful comparison of the plaint, the written statement, the proposed reply statement, the affidavit filed in support of A.No.6079 of 2025, and the counter filed thereto, this Court is of the view that the written statement has indeed raised a distinct defence which goes beyond a bare denial. The plea that the plaintiff would become entitled to payment only upon full recovery with returns, the reliance placed on pre-agreement e-mails, the assertion that the plaintiff failed to perform his recovery obligation, and the further contention that no sum is payable because the company suffered losses, are all matters which required a specific response if the controversy was to be properly crystallised. To that extent, the plaintiff is justified in seeking leave to file a reply statement.

11.In the considered view of this Court, the proper course is therefore to receive reply statement. In the result, A.No.6079 of 2025 is allowed.

15-04-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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DR.A.D.MARIA CLETE, J.

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