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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-11-2026

CORAM

THE HON'BLE MR JUSTICE N. SATHISH KUMAR

AND

THE HON'BLE MR.JUSTICE GK.MUTHUKUMAAR

OSA(CAD) No. 122 of 2026

CNR:{HCMA011195412026}

AND

CMP NO. 29704 OF 2026

G.Saravanan

..Appellant(s)

Vs

1. D.Ramesh

2. B.Dayanithi

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

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

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5. M/s.New Travel Lines India Private Limited
(CIN-U60221TN2020PTC135377)
Represented by its Director 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.

6. Siva Shanmugam

..Respondent(s)

Original Side Appeal filed under Section 13(1) of the Commercial Courts Act, 2015 r/w. Clause 15 of the Letters Patent to set aside the Judgment and Decree dated 30.03.2026 passed in OA No.127 of 2026 in C.S.(Comm.Div) No.49 of 2026.

For Appellant(s): Mr.A.Abdul Hameed
Senior Counsel
for Ms.Anbarasi Rajendran

For Respondent(s): Mr.R.Venkatavaradhan
for R1 to R3

JUDGMENT

(Judgment of the Court was delivered by N.Sathish Kumar J.)

Challenging the order made by the learned Single Judge of this Court in O.A.No.127 of 2026 in C.S.(Comm.Div.) No.49 of 2026, dated 30.03.2026, restraining the defendants in the said suit from communicating with the BSE, RoC, SEBI or other authorities in contravention of obligations undertaken under

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the Settlement Agreement until the disposal of the suit, the 1st defendant has filed the present Appeal.

2.For the sake of convenience, the parties will be referred to as per their rank in the suit.

3.Following are the brief facts of the case :

The plaintiffs 1 and 2 and the 1st defendant were Directors and promoters of the 3rd plaintiff Company. They were also shareholders of other entities. In view of certain disputes that arose between them, mediation proceedings were conducted before the Hon'ble Mr. Justice N.Kirubakaran, a Retired Judge of this Court, wherein, the parties arrived at a settlement and a Memorandum of Settlement dated 13.08.2024 (hereinafter referred to as "Settlement Agreement") came to be executed between the parties.

4.Thereafter, it appears that the 3rd plaintiff Company has 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. When that process is pending before the concerned authorities, the present suit came to be filed by the plaintiffs seeking damages and for other reliefs as under :

> **"***(a) direct defendant No.1 to pay a sum of Rs.2,20,00,000/- as damages to plaintiff Nos.1 and 2 for gross violation of the*

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Settlement Agreement dated 13.08.2024.

(b) grant a permanent injunction restraining the defendants from committing any breach of the settlement agreement dated 13.08.2024 settling all the disputes as evidenced in the mediation report dated 21.11.2025 submitted by Hon'ble Justice N.Kirubakaran (retired) either by communicating to the Stock Exchanges, ROC or other authorities concerning the steps taken by plaintiff No.3 for Initial Public Offer through the Stock Exchanges or committing any breach thereof either in writing, orally, or any other mode of communication."

5.In the said suit, the present application has been taken out by the plaintiffs in O.A.No.127 of 2026 to restrain the defendants from communicating with the BSE, RoC, SEBI or other authorities in contravention of obligations undertaken under the Settlement Agreement, until the disposal of the suit.

6.Learned Single Judge of this Court, after considering the submissions of the learned counsel on either side, allowed the said application by impugned order dated 30.03.2026.

7.Challenging the said order of the learned Single Judge, the present Appeal has been filed.

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8.Learned Senior Counsel appearing for the appellant would submit that the appellant has filed a suit in C.S.No.49 of 2026 challenging the very Settlement Agreement, dated 13.08.2024, to declare it as null and void; to restore the appellant's shareholding of 33.34% in the Company and re-transfer all properties and rights parted under the Settlement Agreement; and for permanent injunction, on the ground of fraud. According to him, when the very Settlement Agreement is under challenge in the suit filed by the appellant, the learned Single Judge ought not to have restrained the appellant from approaching the authorities. According to him, the shares have been valued at Rs.50/- per share and later, the same have been sold at Rs.410/- per share. Hence, according to him, the entire agreement is vitiated on the ground of fraud. He would further submit that, though the appellant has received a sum of Rs.13 Crores, he has already transferred several valuable immovable properties. Such being the position, it is his contention that the agreement reached between the parties itself is a result of fraud. Therefore, according to him, if permission is granted to go for public issue, third party rights will be created and the appellant's right will be affected. Therefore, it is his contention that the appellant cannot be restrained from addressing before the concerned authorities in view of Section 28 of the Indian Contract Act, 1872.

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9.Whereas, learned counsel appearing for the respondents 1 to 3 would submit that the very settlement has been reached by way of mediation in the presence of a retired Judge of this Court, after several hearings. According to him, having taken advantage of the settlement, now, for some reason or the other, the appellant is preventing the respondents from public issue, with an ulterior motive. Therefore, he would submit that the learned Single Judge has rightly restrained the appellant and thus, prays for dismissal of this Appeal.

10.In the light of the above submissions, the only point that arises for consideration in this Appeal is whether the learned Single Judge is right in restraining the appellant from communicating with BSE, RoC, SEBI or other authorities ?

11.We have perused the entire materials available on record.

12.It is not in dispute that, in respect of the disputes that arose in the Company in which the appellant and the respondents 1 and 2 were Directors, a Settlement Agreement, dated 13.08.2024, came to be executed in mediation proceedings in the presence of a retired Judge of this Court, Hon’ble Mr. Justice N. Kirubakaran. The Minutes of the proceedings held between May 2024 and 06.10.2025 were also taken note of by the learned Single Judge. The appellant

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has received an aggregate sum of Rs.13 Crores as consideration of the Settlement Agreement *inter alia* in relation to the transfer of his shareholding in the 3rd plaintiff to the other plaintiffs. Though it is now submitted by the appellant that he has also transferred the immovable properties worth about Rs.13 Crores and according to him, there is no benefit received, the fact remains that the settlement has been acted upon. Once the mediation proceedings have been conclusively established and certain benefits have been taken by the appellant, now, it appears that the appellant has filed a suit challenging the Settlement Agreement on the ground of fraud, undue influence, etc. Whether such settlement is induced by fraud or undue influence, etc., is a matter of evidence and it has to be tested only by way of proper evidence. Once parties to the settlement have taken advantage and acted upon substantially on the basis of the settlement, now, the appellant cannot turn around by merely filing a suit challenging the settlement and prevent the other shareholders or other Directors from enjoying the fruits of the settlement and to go for public issue also.

13.Though much emphasis has been made on Section 28 of the Contract Act, we are of the view that Section 28 cannot be pressed into service in the present case. Section 28 can be invoked only when there is an agreement between the parties restraining the other from pursuing any legal remedy. Whereas, in the case on hand, having taken advantage of the mediation agreement and received the consideration, the appellant is now trying to prevent

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the other parties to the agreement from processing further by way of public issue, which itself indicates that the appellant has not come to the Court with clean hands. It is also to be noted that, in the Settlement Agreement, the appellant has clearly agreed that he will not make any claim with regard to the consideration arrived at in the settlement, whether it is low or reduced when compared to the market value. Having specifically agreed to such term, the appellant cannot prevent the other parties to the settlement from going for public issue (IPO). In any event, as long as the alleged fraud is not established in the manner known to law, the settlement is binding on the parties. Hence, we do not find any infirmity in the order of the learned Single Judge.

14.Accordingly, this Original Side Appeal is dismissed. No costs. Consequently, connected miscellaneous petition is closed. It is made clear that the suit has to be decided on its own merits without being influenced by any of the observations made by us in this judgment.

(N.S.K., J.) (G.K.M., J.)
10-11-2026

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

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