

**In the High Court of Judicature at Madras**

**Dated: 09.03.2015**

**Coram:**

**The Honourable Mr. Justice R.SUBBIAH**

**Original Application No.1005 of 2014**

**and**

**Civil Suit No.806 of 2014**

M/s.Mediaone Global Entertainment Ltd.,  
Rep. by its Director Dr.J.Murali Manohar  
having office at No.59, Vijayaraghava Road,  
T.Nagar, Chennai-600 17.

.... Applicant/plaintiff

Vs.

1.M/s.Ad Bureau Advertising Pvt. Ltd.,  
rep. by its Authorised Signatory Ms.Madhubala Nahar,  
having office at "Rayala Towers",  
No.781, Mount Road,  
Chennai-600 002 & another

2.Ms.Madhubala Nahar,  
W/o.Mr.Abir Chand Nahar,  
having office at "Rayala Towers",  
No.781, Mount Road,  
Chennai-600 002.

.... Respondents/Defendants

**Prayer:-** The original application has been filed under Order XIV Rule 8 of Original Side Rules read with Order 39 Rules 1 & 2 read with Section 151 CPC praying for an order of interim injunction restraining the respondents, its authorized signatory viz., Ms.Madhubala Nahar, their men, agents, subordinates or any one acting under them, from in any manner issuing defamatory statements in the press/newspapers or in any manner from calling for a press meet or to create blogs, send messages in social media like Twitter, Face Book, Instagram, My space and Whatsapp, in relation to the rights of the film "Kochadaiyaan" and all matters that may emanate from the Memorandum of Understanding dated 25.04.2014 entered into between the plaintiff and the defendants, pending disposal of the suit.

For Applicant : Mr.T.T.Ravichandran

For Respondents : Mr.P.J.Rishikesh

**ORDER**

The original application has been filed under Order XIV Rule 8 of Original Side Rules read with Order 39 Rules 1 & 2 read with Section 151 CPC praying for an order of interim injunction restraining the respondents, its authorized signatory viz., Ms.Madhubala Nahar, their men, agents, subordinates or any one acting under them, from in any manner issuing defamatory statements in the press/newspapers or in any manner from calling for a press meet or to create blogs, send messages in social media like Twitter, Face Book, Instagram, My space and Whatsapp, in relation to the rights of the film "*Kochadaiyaan*" and all matters that may emanate from the Memorandum of Understanding dated 25.04.2014 entered into between the plaintiff and the defendants, pending disposal of the suit.

2.Applicant herein is the plaintiff and the respondents herein are the defendants in the suit. For the sake of convenience, the parties are referred to as per rankings in the suit.

3.The case of the plaintiff, in brief, is as follows:-

3-1. The plaintiff, being M/s.Mediaone Global Entertainment Ltd is in the business of entertainment and production of film for the past 15 years. The 1<sup>st</sup> defendant is claiming to be an entity involved in advertising business. The 2<sup>nd</sup> defendant viz.,

Ms.Madhubala Nahar is a Chartered Accountant, who is the authorized signatory of the 1<sup>st</sup> defendant-company and also a money lender. The 2<sup>nd</sup> defendant has been lending loans to various film production companies in and around Chennai at exorbitant interest rates.

3-2. The plaintiff is the Producer of the film '*Kochadaiyaan*' starring actor Rajinikanth, Deepika Padukone, Music by A.R.Rahman and directed by Ms.Soundarya Rajinikanth Ashwin. The production of the film is a landmark in the film industry, since Motion Capture Technology was introduced in India for the first time. The induction of the aforesaid technology involved huge costs. A sum of Rs.150 crores was spent for the production of the film. One M/s.Eros International Pvt Ltd., a Film Producer based in Mumbai, is a co-producer of the aforesaid film.

3-3. The production of the film *Kochadaiyan* was completed in the month of February-2014 and there were certain post production works to be completed for the release of the film. The Authorised Signatory of the 1<sup>st</sup> defendant viz, 2<sup>nd</sup> defendant Ms.Madhubala Nahar came forward for lending a loan of Rs.30 crores for the purposes of post production work of the film *Kochadaiyan*. The plaintiff readily accepted the said offer, since the said fund was required for the release of the film *Kochadaiyan* in the month of May- 2014.

3-4. A Memorandum of Understanding was entered and reduced into writing on 25.04.2014. The said document would reveal

that a sum of Rs.20 crores was paid by the defendants for the payment of post production works. There are other recitals in the said Memorandum of Understanding to the effect as if the rights for exhibition of the film *Kochadaiyan* were given to the defendants along with a pro-rata share in the profit of 12% on the amount of Rs.20 crores to be lent and it would also include the distribution and exhibit rights of the film in certain territories of State of Tamil Nadu. The Memorandum of Understanding contains certain empty columns in Para No.11 and the same would show that the Memorandum of Understanding dated 25.04.2014 is a sham and nominal document and it is not a concluded contract. The Authorized Signatory of the 1<sup>st</sup> defendant viz., 2<sup>nd</sup> defendant was very apprehensive during the last of April-2014, since she did not possess the license required under the Tamil Nadu Money Lenders Act, 1957 for money lending business. The plaintiff states that Ms.Latha Rajinikanth, wife of the celebrated actor Mr.Rajinikanth, is in no way connected with the above said Memorandum of Understanding.

3-5. In the last week of April-2014, the defendants reneged from theirs commitment and offered to lend only Rs.10 crores. The defendants initially issued a cheque for Rs.10 crores and issued stop payment instructions and thereafter, on 28.04.2014 made an RTGS Transfer of Rs.10 crores to the account of the plaintiff maintained in the HDFC Bank. The rest of the amount of Rs.20 crores was to be released by the defendants before the release

of the film *Kochadaiyan* worldwide on 9<sup>th</sup> May-2014. Thereafter, the defendants immediately demanded an upfront payment of Rs.2.40 crores without any rhyme or reason for the purpose of releasing the balance amount of Rs.20 crores. Therefore, under economic duress the plaintiff made an RTGS transfer of a sum of Rs.71 lakhs to the 1<sup>st</sup> defendant's account on 05.05.2014 and also another sum of Rs.2.40 crores on the very same day. The defendants, thereafter, demanded various post dated cheques to be issued in their favour including a Letter of Guarantee from Mrs.Latha Rajinikanth for lending a further sum of Rs.20 crores. On the very next day ie., on 06.05.2014, the defendants were to release the balance amount of Rs.20 crores, but they went back on their promise and the plaintiff was left hapless without funds for the release of the film *Kochadaiyan* on 09.05.2014. Despite strenuous persuasion made by the management of the plaintiff, the balance amount of Rs.20 crores was not released by the defendants. During the said period the defendants obtained various cheques, which were either undated or left blank; and the property document of the basement portion of Mandira Apartments at T.Nagar, Chennai was deposited before the defendants for creating security. The various cheques issued by the plaintiff in favour of the 1<sup>st</sup> defendant was under coercion and duress. In fact, Mrs.Latha Rajinikanth has no connection whatsoever with the film, apart from being the wife of Mr.Rajinikanth and the mother of the Director Ms.Soundarya Rajinikanth Ashwin. However, a letter of undertaking

in the form of Guarantee was issued to the defendants on 04.05.2014 and the said document would reveal that the guarantee was given for a sum of Rs.33.60 crores, though on the said date only a sum of Rs.10 crores was disbursed by the defendants to the plaintiff. The amount of Rs.33.60 crores comprises of Rs.30 crores amount to be lent along with 2% interest which is Rs.3.60 crores. Since the defendants did not honour their commitment by releasing the balance amount of Rs.20 crores, the personal letter of Guarantee issued by Mrs.Latha Rajinikanth dated 4<sup>th</sup> May-2014 would have no effect and it automatically stands discharged. The said document was also not stamped properly and it was not signed before any witness. The conduct of the defendants resulted in great loss to the plaintiff and the release of the film on 9<sup>th</sup> May-2014 was postponed and one of the factors for the postponement was the intransigent conduct of the defendants. The plaintiff would have suffered atleast a loss of Rs.50 crores on 9<sup>th</sup> May-2014 for postponing the release of the film *Kochadaiyan*. Thereafter, the defendants, having realized their mistake, issued a No Objection Certificate for the release of the film *Kochadaiyan* and a letter to the effect dated 21<sup>st</sup> May-2014 was addressed to M/s.Real Images Media Technology Private Limited. The issuance of the said letter by the defendants will unequivocally demonstrate that all rights of exhibition allegedly held by the defendants were relinquished. Late on, the film was released on 23<sup>rd</sup> May-2014 and it received a moderate success.

3-6. After the release of the film, substantial amounts were being paid from 23.06.2014 till 06.08.2014 towards the discharge of the original debt of Rs.10 crores. Out of the aforesaid amount a sum of Rs.3,21,00,000/- is liable to be adjusted towards the principal amount, since it was immediately paid after the receipt of Rs.10 crores on 28.04.2014. Since the defendants did not honour their commitment for the release of the film *Kochadaiyan*, the Guarantor will have no role in the repayment of the said amount and she stands discharged automatically as per the provisions contained in the Indian Contract Act. Therefore, the plaintiff was constrained to issue stop payment instructions to its bankers, not to honour the cheques issued in favour of the 1<sup>st</sup> defendant. During the above period, the 2<sup>nd</sup> defendant was inducted in Metronet Multimedia (P) Ltd., a sister company of the plaintiff and wanted to own 20% shares of the same. The 2<sup>nd</sup> defendant also nurtured ambitions to become a Director in various Public Sector Banks, assuming that she could command clout by becoming a Director in Metronet Multimedia (P) Ltd. Though the plaintiff was making payments from time to time, a Letter of Commitment was obtained by the defendants on 27.08.2014. The calculation found in the said letter is erroneous and interest claimed is usurious and contrary to the Tamil Nadu Prohibition of Charging Exorbitant Interest Act, 2003.

3-7. In the aforesaid factual scenario, the defendants for the past three month have been demanding huge sum of money with

interest, without giving effect to the payment of Rs.4,75,00,000/- already paid to the defendants and the said sum is liable to be adjusted towards the principal of Rs.10 crores. The 1<sup>st</sup> defendant through its Authorized Signatory viz., 2<sup>nd</sup> defendant has been making telephone calls both to the plaintiff and Mrs.Latha Rajinikanth. The defendants are trying to blackmail both the plaintiff and Ms.Latha Rajinikanth. The plaintiff received a lawyer's notice on 11.11.2014 directing the plaintiff to forthwith pay a sum of Rs.10 crores along with interest at the rate of 2% per annum and also 2% towards penalty. The said claim is unsustainable for the reasons that a sum of Rs.4,75,00,000/- is liable to be appropriated towards the payment of principal amount. The said legal notice contains various derogatory remarks against the plaintiff and Mr.Rajinikanth's family. In the said notice, it has been stated that the plaintiff and Mrs.Latha Rajinikanth colluded together to sell the rights of the movie *Kochadaiyan* to M/s.Eros International Pvt Ltd and several others, which were assigned in favour of the defendants. It is further stated in the said notice that the plaintiff and Mrs.Latha Rajinikanth are unprofessional in business and are employing fraudulent methods to swindle monies and leaving the defendants high and dry. In Para 14 of the said notice, it is stated that the plaintiff and Mrs.Latha Rajinikanth have cheated the defendants by transferring the rights of *Kochadaiyan*. It has been stated that Mr.R.Rajinikanth enjoys huge popularity all over India and World Wide as a popular actor and by suggesting innuendos

in the legal notice dated 11.11.2014, the defendants have indulged in libel and making defamatory statements, which has the effect of tarnishing the image of both the plaintiff and also the family of Mr.Rajinikanth. The plaintiff has sent a reply on 17.11.2014. On 11.11.2014 the plaintiff was ready to pay a sum of Rs.4 crores and a Demand Draft was drawn in favour of the 1<sup>st</sup> defendant, but the defendants refused to receive the same by demanding a further sum of Rs.6.75 crores. On 16.11.2014 the plaintiff received a text message in the phone of the Director of the plaintiff-company, which was addressed to Mrs.Latha Rajinikanth. The said text message reveals that the 2<sup>nd</sup> defendant has threatened the plaintiff and Mrs.Latha Rajinikanth to the effect that if the entire loan amount of Rs.10 crores with interest is not paid, she will go to press and reveal the alleged non-performance of the Memorandum of Understanding dated 25.04.2014. The plaintiff apprehends that the defendants will go to press at any time and make statements in respect of misconceived right that she is holding over the film *Kochadaiyaan*. There is a clear apprehension that the 2<sup>nd</sup> defendant will spread canards through the press and make defamatory statements against the plaintiff and Mrs.Latha Rajinikanth. In fact, in the news item carried out in the New Sunday Express dated 30.11.2014, it has been reported that a cheating complaint has been filed against the plaintiff and Mrs.Latha Rajinikanth over certain illegal sale of film rights to M/s.Eros International Ltd. It is further seen that wild allegations

have been made against the plaintiff as if he is a white collar fraud and has committed breach of trust in respect of the repayment of money to the 1<sup>st</sup> defendant and the same was also reported in the Tamil daily 'Dinamani' on 30.11.2014. However, there was a meeting held on the very same day at Rain Tree Hotel at Abhiramapuram at about 8.00 pm and one Mr.Vikas was representing the 1<sup>st</sup> defendant in the said meeting. In the said meeting, the 1<sup>st</sup> defendant once again demanded Rs.10.70 crores, though a demand draft of Rs.4 crores was already made in favour of the 1<sup>st</sup> defendant and after much persuasion the said demand draft was received by the 1<sup>st</sup> defendant's representative at Bangalore around 9.00 pm. But, the defendants insisted further payment of Rs.6.75 crores, which is in the nature of Kanthu Vatti over and above the prescribed rate of interest under Section 7 of the Tamil Nadu Money Lenders Act, 1957. Hence, a complaint was lodged before the Commissioner of Police, Chennai on 02.12.2014 against the defendants. The defendants are also threatening that they would go to call for a press meet. If any statement is allowed to be made by the defendants in the press meet, it will cause incalculable damage to the plaintiff and Mrs.Latha Rajinikanth, who has no connection with the Memorandum of Understanding dated 25.04.2014. Hence, the present suit has been filed by the plaintiff for injunction.

4.Pending the suit, the plaintiff has filed the above original

application seeking interim injunction as stated supra.

5.This Court, by order dated 08.12.2014, has granted interim injunction.

6.On appearance, the defendants filed a counter. The sum and substance of the counter filed by the defendants are as follows\_

All the allegations made against the defendants by the plaintiff are false and concocted and imagination of the plaintiff. The 1<sup>st</sup> defendant is a business organization having multifold and varied business interests in Chennai and across India. The 1<sup>st</sup> defendant is in the business of designing, creativity, short film production and advertisement consultant and agency. The 1<sup>st</sup> defendant is in the said industry for the past 35 years. Apart from the above, the 1<sup>st</sup> defendant also deals with post production works with Production and Entertainment Companies. Recently, the 1<sup>st</sup> defendant had ventured into the post production of film *Kochadaiyaan* produced by the plaintiff, guaranteed by Smt.Latha Rajinikanth, with her personal guarantee, directed by her daughter Ms.Soundarya Rajinikanth Ashwin. According to the defendants, Mrs.Latha Rajinikanth and Mr.Murali Manohar, Director of the plaintiff-company approached the 1<sup>st</sup> defendant and requested the 1<sup>st</sup> defendant to be the post producer of the film *Kochadaiyaan* and offered 12% pre-release guaranteed profit share, personal guarantee from Rajinikanth family, mortgage of

securities and Tamil Nadu Rights of the film *Kochadaiyaan*. Hence, a Memorandum of Understanding/agreement was entered into on 25<sup>th</sup> April-2014 and Mrs.Latha Rajinikanth signed the personal guarantee in favour of the 1<sup>st</sup> defendant on 4<sup>th</sup> May-2014, as she was not available on 25<sup>th</sup> April-2015. The said personal guarantee given on a bond paper clearly states that Mrs.Latha Rajinikanth is responsible for repayment of the dues as a guarantor, in case of any default by the primary borrower viz., the plaintiff. In fact, Mr.Murali Manohar (Director of the plaintiff-company) and Mrs.Latha Rajinikanth had visited the house of the Director of the 1<sup>st</sup> defendant-company, for this business proposal at several times and convinced that they would take the responsibility of the repayment of the money as per the agreement to the defendants. Hence, an agreement was signed on 25<sup>th</sup> April-2014. The defendants requested for 15% guaranteed share, but then the deal was closed at 12% guaranteed share and both parties agreed and signed the agreement. As per the final agreed upon terms, the plaintiff has confirmed pre-release guaranteed profit share of 12% irrespective of the outcome of the movie and also release rights of distribution, exhibition of the said film *Kochadaiyaan* for the State of Tamil Nadu. In the letter of guarantee given by Mrs.Latha Rajinikanth, who is the wife of the leading actor Rajinikanth, it is stated as follows\_

"In case any default by Mediaone Global Entertainment Ltd., to honor the post dated cheques

given in favour of Ad Bureau Advertising Pvt Ltd., Smt.Latha Rajinikanth guarantees to make payment towards the same by direct transfer in the account of the company Ad Bureau Advertising Pvt. Ltd.,"

Therefore, it is incorrect to state that Mrs.Latha Rajinikanth has no connection with the Memorandum of Understanding dated 25.04.2014. The defendants funded Rs.10 crores into the account of the plaintiff through Central Bank of India via RTGS. Since the RTGS had already been done, the original cheque was stopped for payment. The principal fund of Rs.10 crores plus Rs.1.2 crores (12% guaranteed profit share) totaling to Rs.11.20 crores was to be returned back on 7<sup>th</sup> May-2014. On 5<sup>th</sup> May-2014, the plaintiff returned Rs.1.20 crores, the 12% guaranteed profit, and not just Rs.71 lakhs as claimed by the plaintiff. Rs.71 lakhs was paid through the bank and Rs.49 lakhs was paid in cash totaling to Rs.1.20 crores, which was the 12% guaranteed share. It was confirmed to the defendants that the balance of Rs.10 crores will be returned on 7<sup>th</sup> May-2014. However, due to the failure on the part of the producer to release the movie on the scheduled date, the 1<sup>st</sup> defendant was requested to support the project once again, with extension of time till the release of the movie. The 1<sup>st</sup> defendant was also requested for a further support to the tune of Rs.20 crores with the same offer of 12% guaranteed profit and a sum of Rs.2.40 crores towards the same was paid to the defendant. But, upon investigation by the Punjab National Bank, it

was discovered that the fund was not being used for post-production works, but were rather being diverted to repay the past debts. Diversion of funds to repay past debts is tantamount to cheating and fraud. According to the defendants, Mrs.Latha Rajinikanth issued a guarantee upto Rs.33.60 cores, as the 12% guaranteed share on Rs.30 crores is Rs.3.60, totaling to Rs.33.60 crores. However, the guarantee clearly states that it is upto and not for Rs.33.60 cores. The money was to be returned on or before the release of the movie. The guarantee clearly states that as per the agreement dated 25<sup>th</sup> April-2014, it is upto Rs.33.60 cores and is not for Rs.33.60 crores. Further, it is the case of the defendants that funding of Rs.20 crores was stopped as the plaintiff was diverting the funds. Since the money was not coming, the bankers of the defendants started pressuring. As on 30<sup>th</sup> November-2014, the total amount due to the 1<sup>st</sup> defendant was Rs.14.9 crore and the payment received was only Rs.4.70. The rights of distribution in Tamil Nadu in respect of the film *Kochadaiyaan* were sold in double; hence, a police complaint was given and only after the police complaint, a sum of Rs.4 cores was immediately paid to the 1<sup>st</sup> defendant. Hence, the total amount received by the defendants is Rs.8.7 cores and still a sum of Rs.6.2 crores is due from the plaintiff. The plaintiff for the past eight months has been dodging the repayment to be given to the 1<sup>st</sup> defendant. Out of the payment of Rs.4.7 crores, Rs.1.7 crore is towards the 17% guaranteed share and the balance has been adjusted towards the

interest. There was a news item on Mrs.Latha Rajinikanth, wife of actor Rajinikanth, that she had gone to the media and gave a statement in all Media that she has no business connection with the 1<sup>st</sup> defendant-company, while she is the person guarantor for the loan due to the 1<sup>st</sup> defendant-company. The plaintiff has not made out any *prima facie* case; on the contrary, the plaintiff has mislead the Court and obtained the interim injunction order. Thus, the defendants sought for vacating the interim injunction and sought for dismissal of the above application.

7. I have carefully heard the submissions made by the learned counsel Mr.T.T.Ravichandran appearing for the plaintiff and the learned counsel Mr.P.J.Rishikesh appearing for the defendants and perused the materials available on record.

8.Though very many contentions have been raised on either side with regard to the commercial transactions which took place between the plaintiff and the defendants, the only question that has to be decided in this application falls into a narrow scope viz., *whether the plaintiff is entitled for interim injunction as against the defendants from issuing any statements in the press/newspapers or creating blogs, sending messages in social media like Twitter, Face Book, Instagram, My space and Whatsapp, in relation to the rights of the film "Kochadaiyaan" and all matters that may emanate from the*

*Memorandum of Understanding dated 25.04.2014 entered into between the plaintiff and the defendants, pending disposal of the suit.*

Therefore, it is not necessary for this Court to deal with the commercial transactions which took place between the parties.

9.The circumstance which made the plaintiff to file the present suit is an appearance of news items in English daily **New Sunday Express** and Tamil daily '**Dinamani**' dated 30.11.2014. The said news items were reported pursuant to the criminal complaint given by the defendants against the plaintiff. It is the case of the plaintiff that the plaintiff is in the business of entertainment and production of films. The plaintiff is the producer of the film *Kochadaiyaan*. In respect of the post production works, funds were required for the plaintiff. Hence, they approached the authorised agent of the 1<sup>st</sup> defendant viz., the 2<sup>nd</sup> defendant herein, who also came forward to provide loan of Rs.30 crores. Hence, a Memorandum of Understanding was entered into between the parties on 25<sup>th</sup> April-2014 between the plaintiff and the defendants. Pursuant to the said Memorandum of Understanding, a sum of Rs.10 crores was advanced to the plaintiff by the defendants. It was agreed between the parties that the rest of the amount viz., Rs.20 crores would be released by the defendants before the release of the film. Since the defendants demanded security for the loan amount, post-cheques were issued by the plaintiff and a letter of undertaking in the form guarantee was

issued by Mrs.Latha Rajinikanth. But, inspite of execution of letter of undertaking in the form of guarantee, the balance amount of Rs.20 crores was not released by the defendants. Therefore, according to the plaintiff, they have suffered huge loss, atleast to an extent of Rs.50 crores. Since the defendants failed to provide the balance loan amount of Rs.20 crores, the release of the film was postponed, which resulted in great loss to the plaintiff. Further, the applicant has repaid substantial loan amount and now, only a sum of Rs.1.7 cores has to be paid by the plaintiff.

10.Per contra, it is the case of the defendants that initially, the plaintiff stated that they intend to avail Rs.20 crores as loan; however, the plaintiff was not sure how much amount they required. Hence, the defendants have advanced a sum of Rs.10 crores to the plaintiff for the post production works of the film *Kochadaiyaan*. The plaintiff has to repay the said amount on or before 7<sup>th</sup> May 2014, but the repayment was delayed from 2<sup>nd</sup> June to 16<sup>th</sup> June. Mrs.Latha Rajinikanth has also given a personal guarantee upto Rs.33.60 crores. But, the funding of Rs.20 crores was stopped by the defendants as the plaintiff was diverting the funds. The amount was not paid within the specified time. But, subsequently, after negotiation, the plaintiff agreed to pay Rs.14.4 crores to the defendants and in this regard, the plaintiff has also given a letter dated 27<sup>th</sup> August-2014. Therefore, as on date, a sum of Rs.6 crores is due from the plaintiff. But, the

plaintiff has not paid the said amount. Apart from that, as per Clause 6 of the Memorandum of Understanding/agreement dated 25.04.2014, the plaintiff agreed to pay guaranteed share at 12% to the defendants inspite of the outcome of the movie and also agreed to give lease rights of distribution & exhibition in respect of the film *Kochadaiyaan* in the State of Tamil Nadu. But, contrary to the undertaking given in the said Memorandum of Understanding, the plaintiff had sold the rights of the movie in respect of Tamil version to one M/s.Eros International Pvt Ltd., and thereby has taken away the rights of the defendants. Therefore, there is a clear intention of cheating on the part of the plaintiff. Hence, on 28<sup>th</sup> November 2014 a criminal complaint was given as against the plaintiff by the defendants. Similarly, the plaintiff has also lodged a complaint as against the defendants on 02.12.2014 alleging that the defendants are charging exorbitant interest under the Tamil Nadu Prohibition of Charging Exorbitant Interest Act, 2003. According to the defendants, they had not gone to the Press. The Press published only the complaint lodged by the defendants to the Police. Since the plaintiff is in film production, the press reported the allegations made in the above said complaint as news in the newspapers because the same attracts the interest of the general public and the same cannot be termed as a defamatory statement. In this regard, the learned counsel for the defendants has also relied upon the decisions reported in **(1992) 3 SCC 637 (Life Insurance Corpn. of India Vs. Manubhai D.Shah)**

**and (1994)6 SCC 632 (R.Rajagopal Vs. State of T.N.).**

11.It is the reply of the learned counsel for the plaintiff that if a statement is made before the Police Officials and if the same is extracted and published in the newspapers, then, the plaintiff is entitled to ask for injunction. Further, the learned counsel for the plaintiff submitted that the plaintiff is also entitled to ask for injunction anticipating any wrong reporting in future. In support of his contentions, the learned counsel for the plaintiff has also relied upon the following decisions\_

**i)1988 AIR (Karnataka) 255 [Smt.Sonakka Gopalagowda Shanthaveri and others Vs. U.r.Anantha Murthy and others].**

**ii)1962 AIR (Calcutta) 27 (National Sugar Mills Ltd., Vs. Ashutosh Mukerjee)**

**iii)AIR 1982 MADHYA PRADESH 47 [Hari Shankar Vs. Kailash Narayan and others]**

**iv)AIR 1985 BOMBAY 224 [Govind Shantaram Walavalkar Vs. Pandharinath Shivram Rege]**

**v)AIR 1936 Bombay 114 [Union Benefit guarantee Co., Ltd., Vs. Thakorlal P.Thakor and others].**

12.But, on perusal of the entire materials available on record, I find that what was published in the newspapers is only about the allegations made in the complaint lodged by the defendants with the

Police. It is seen from the records that the plaintiff has sold the movie twice. Under the agreement, they have agreed to give rights of distribution and exhibition in respect of the subject movie in Tamil Nadu to the defendants. But, contrary to the same, they sold the rights to M/s.Eros International Pvt Ltd., and they have also not repaid the amount of Rs.6 crores to the defendants. Since the press has published the said news item, now the plaintiff has come forward with the present application.

13.This Court has to see whether the news items published in the Newspapers based on the complaint given to the Police, would amount to publishing defamatory statement. In this regard, it would be appropriate to make a reference in the judgment relied upon by the learned counsel for the defendants reported in **(1994)6 SCC 632 (R.Rajagopal Vs. State of T.N.)**, wherein it has been held as follows\_\_

“26. We may now summarise the broad principles flowing from the above discussion:

(1)The right to privacy is implicit in the right to life and liberty guaranteed to the citizens of this country by Article 21. It is a "right to be let alone". A citizen has a right to safeguard the privacy of his own, his family, marriage, procreation, motherhood, child-bearing and education among other matters. None can publish anything concerning the above matters without his consent whether truthful or otherwise and whether laudatory or critical. If he does so, he would be violating the right to privacy of the person concerned and would be liable in an action for damages. Position may, however, be different, if a person voluntarily thrusts himself into controversy or voluntarily invites or raises a controversy.

(2)The rule aforesaid is subject to the exception, that any publication concerning the aforesaid aspects becomes unobjectionable if such publication is based upon public records including court records. This is for the reason that once a matter becomes a matter of public record, the right to privacy no longer subsists and it becomes a legitimate subject for comment by press and media among others. We are, however, of the opinion that in the interests of decency [Article 19(2)] an exception must be carved out to this rule, viz., a female who is the victim of a sexual assault, kidnap, abduction or a like offence should not further be subjected to the indignity of her name and the incident being publicised in press/media.

(3)There is yet another exception to the rule in (1) above indeed, this is not an exception but an independent rule. In the case of public officials, it is obvious, right to privacy, or for that matter, the remedy of action for damages is simply not available with respect to their acts and conduct relevant to the discharge of their official duties. This is so even where the publication is based upon facts and statements which are not true, unless the official establishes that the publication was made (by the defendant) with reckless disregard for truth. In such a case, it would be enough for the defendant (member of the press or media) to prove that he acted after a reasonable verification of the facts; it is not necessary for him to prove that what he has written is true. Of course, where the publication is proved to be false and actuated by malice or personal animosity, the defendant would have no defence and would be liable for damages. It is equally obvious that in matters not relevant to the discharge of his duties, the public official enjoys the same protection as any other citizen, as explained in (1) and (2) above. It needs no reiteration that judiciary, which is protected by the power to punish for contempt of court and Parliament and legislatures protected as their privileges are by Articles 105 and 104 respectively of the Constitution of India, represent exceptions to this rule.

(4)So far as the Government, local authority and other organs and institutions exercising governmental power are concerned, they cannot maintain a suit for damages for defaming them.

(5)Rules 3 and 4 do not, however, mean that Official Secrets Act, 1923, or any similar enactment or provision having the force of law does not bind the press or media.

(6)There is no law empowering the State or its officials to

prohibit, or to impose a prior restraint upon the press/media.”

A reading of the dictum laid down in the above said judgment would show that every citizen has a right to safeguard the privacy of his own, his family, marriage, procreation, motherhood, child-bearing and education among others matters. If any publication was made with regard to privacy of the citizen without his consent, then definitely he is entitled for injunction. But, in the instant case, the publication was made based on a criminal complaint lodged by the defendant against the plaintiff on a dispute that had taken place between the parties in a commercial transaction. When that being so, this Court cannot grant any injunction as sought for by the plaintiff, since the news item reported in the newspapers is no way concerned with the privacy of the plaintiff.

14. One more reference could be placed in the judgment reported in **(1992) 3 SCC 637 (Life Insurance Corpn. of India Vs. Manubhai D. Shah)**, wherein it has been held as follows\_

"8. The words 'freedom of speech and expression' must, therefore, be broadly construed to include the freedom to circulate one's views by words of mouth or in writing or through audio-visual instrumentalities. It, therefore, includes the right to propagate one's views through the print media or through any other communication channel e.g. the radio and the television. Every citizen of this free

country, therefore, has the right to air his or her views through the printing and/or the electronic media subject of course to permissible restrictions imposed under Article 19(2) of the Constitution. The print media, the radio and the tiny screen play the role of public educators, so vital to the growth of a healthy democracy. Freedom to air one's view is the life line of any democratic institution and any attempt to stifle, suffocate or gag this right would sound a death-knell to democracy and would help usher in autocracy or dictatorship. It cannot be gainsaid that modern communication mediums advance public interest by informing the public of the events and developments that have taken place and thereby educating the voters, a role considered significant for the vibrant functioning of a democracy. Therefore, in any set up, more so in a democratic set up like ours, dissemination of news and views for popular consumption is a must and any attempt to deny the same must be frowned upon unless it falls within the mischief of Article 19(2) of the Constitution. It follows that a citizen for propagation of his or her ideas has a right to publish for circulation his views in periodicals, magazines and journals or through the electronic media since it is well known that these communication channels are great purveyors of news and views and make considerable impact on the minds of the readers and viewers and are known to mould public opinion on vital issues of national importance. Once it is conceded, and it cannot indeed be disputed, that freedom of speech and expression includes freedom of circulation and propagations of ideas, there can be no doubt that the right extends to the citizen being permitted to use the media to answer the criticism levelled against the view propagated by him. Every free citizen has an undoubted

right to lay what sentiments he pleases before the public; to forbid this, except to the extent permitted by Article 19(2), would be an inroad on his freedom. This freedom must, however, be exercised with circumspection and care must be taken not to trench on the rights of other citizens or to jeopardise public interest. It is manifest from Article 19(2) that the right conferred by Article 19(1)(a) is subject to imposition of reasonable restrictions in the interest of, amongst others, public order, decency or morality or in relation to defamation or incitement to an offence. It is, therefore, obvious that subject to reasonable restrictions placed under Article 19(2) a citizen has a right to publish, circulate and disseminate his views and any attempt to thwart or deny the same would offend Article 19(1)(a)."

15. Though a number of judgments were relied upon by the learned counsel for the plaintiff in support of his contention that if a statement is made before the Police Officials and if the same is extracted and published in the newspapers, then, the plaintiff is entitled to ask for injunction anticipating any wrong reporting in future, the said judgments were delivered on totally different factual aspects, which are not applicable to the present facts of the case. It is a well settled legal principle that each case has to be decided based on the facts and circumstances of the particular case. In the instant case, absolutely I do not find any wrong in publishing the above news items in the newspapers. The press reports about the allegations made in the complaint lodged against the plaintiff cannot be

considered as defamatory statement. Further more, the plaintiff has also not impleaded the alleged publishers in the suit as parties. He has also not impleaded Mrs.Latha Rajinikanth as party, whom the plaintiff is literally representing. Even assuming for a moment, the news items contained the false statement, the plaintiff is having alternative remedy under law; but, the plaintiff is not entitled for interim injunction as prayed for, since the news reported in the newspaper are in no way concerned with the private affairs of the plaintiff. I do not find any valid ground for continuation of the interim injunction order. Hence, the interim injunction is liable to be vacated.

For the foregoing reasons, the interim injunction granted by this Court is vacated and this original application is dismissed.

09.03.2015

Internet : Yes / No

Index : Yes / No

SSV

**R.SUBBIAH, J.**

SSV

**O.A.No.1005 of 2014**  
**in**  
**C.S.No.806 of 2014**

**09.03.2015**