IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 22.10.2021	Pronounced on : 27.10.2021

Coram:

THE HONOURABLE DR. JUSTICE G. JAYACHANDRAN

C.S.(Comm.Div).No.601 of 2018

M/s.RV MEDIA SOLUTIONS,
Represented by its Partner Mr.M.Ravindran,
No.28A, ABM Avenue,
R.A.Puram, Chennai – 600 028. ... Plaintiff

/versus/

1. **Mr.M.S.Sharavanan, Proprietor,**
   M/s.SRI GREEN PRODUCTIONS,
   Prameela Towers, 4th Floor,
   No.13B, Pulliyur 1st Lane,
   Kodambakkam, Chennai – 600 024.

2. **Mr.C.J.Jayakumar, Proprietor,**
   M/s.CAMEO FILMS,
   No.59, Vijayaraghava Road,
   T.Nagar, Chennai – 600 017. ... Defendants

Prayer:- Civil Suit has been filed under Order 7 Rule 1 of O.S. Rules read with Order VII Rule 1 of C.P.C., and Sections 55 and 62 of the Copyright Act, 1957.

(a)(i). Declaring that the Plaintiff is the absolute owner of the theatrical, exhibition and exploitation rights in NSC area for Tamil Film, 'Imaikka Nodigal' starring Nayanthara, Atharva and others, directed by Ajay Gnanamuthu;

(a)(ii). Grant a Permanent Injunction restraining the 1st and 2nd defendants,

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their men, agents, servants or any other person acting on their behalf from releasing the film 'Imaikka Nodigal", starring Nayanthara, Atharva and others directed by Ajay Gnanamuthu without setting the dues to the plaintiff or in the alternative.

(b). Directing the Defendants to pay the plaintiff a sum of Rs.4,00,00,000/- along with interest @36% per annum from date of plaint till realization.

(c). Directing the 1st and the 2nd defendant to pay the costs of the suit.

For Plaintiff : Mr.K.Hari Shankar

For Defendants : M/s.Ahmad Associates for D1
Mr.Om Sai Ram for D2.

JUDGMENT

(This case has been heard through Video Conferencing)

The epicentre of the suit subject is the Tamil cinematographic film titled "IMAIKA NODIGAL". The said movie was produced by 2nd defendant M/s.Cameo Films. On 07.01.2017, the 2nd defendant entered into a Royalty Minimum Guarantee Agreement with the first defendant granting commercial and theatrical exhibition copyrights of the said movie for the entire Tamil Nadu, Chittor and Pondicherry, for perpetual period. Also entered into Minimum Guarantee Agreement for entire worldwide right of exploitation of the film

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including the dubbing right. In turn, the first defendant on 03.03.2017 assigned to the plaintiff the theatrical exploitation right to distribute, exhibit and exploit the said film in respect of North Arcot, South Arcot and Chengalpet (shortly 'NSC', as called by the film industries) for a consideration of Rs.4,25,00,000/-. The first defendant received Rs.4,00,00,000/- and agreed for the balance Rs.25,00,000/- lakhs to be paid on the eve of the movie release.

2. On the eve of the movie release, the plaintiff had resorted to this suit for declaration and injunction on the premise that, the first defendant, after assigning the theatrical exploitation rights for the 'NSC' area and received advance of Rs.4,00,00,000/- from the plaintiff with a promise that, the movie will be made ready and censored for release before 30.04.2017, failed to get the movie made ready by the time promised. Therefore, the plaintiff preferred a complaint before the Micro and Small Enterprises Facilitation Council at Chennai on 05.03.2018 against the first defendant for return of the money advanced with interest. No settlement arrived between the parties before the MSE council.

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3. After assigned the copyrights for theatrical exploitation in 'NSC'

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area in favour of the plaintiff through the first defendant, the producer of the film (second defendant) advertised that, the film will be released during the month of August 2018 without informing the plaintiff. Therefore, the plaintiff apprehending that, if the film is released worldwide except NSC area, will be put to severe loss, issued cease and desist notice to the defendants on 07.08.2018 not to release the film without delivering the prints to the plaintiff for theatrical exploitation in NSC area. The second defendant, on receipt of the legal notice, filed caveat in High Court anticipating suit and also replied through his counsel on 11.08.2018, wherein it was informed that the agreement dated 07.01.2017 entered between the first defendant (distributor) and the second defendant (producer) was a Minimum Guarantee Agreement for a consideration of Rs.16,50,00,000/- payable as per the schedule. The time was essence of the contract and in case of delay or default in payment, the second defendant reserved the right to terminate the agreement and refund the advance received from the first defendant soon after the movie release. When the first defendant was not able to pay the considerations as per schedule, the parties i.e., first and second defendant mutually agreed to terminate the agreement and accordingly entered into the cancellation agreement on 17.04.2017. Thereby, the agreement dated 07.01.2017 stands cancelled.

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4. In the said background, the suit is filed alleging that, after the assignment of copyright in the movie for exploiting NSC area on 03.03.2017, the first defendant cannot cancel the agreement dated 07.01.2017 without the consent of the plaintiff. The alleged cancellation deed dated 17.04.2017 is a collusive document to defeat the interest of the plaintiff.

5. The first defendant though contested the interlocutory application, did not file written statement within the period of limitation hence right to file the written statement got forfeited. The second defendant filed written statement and same taken on file.

6. The 2nd defendant in the written statement deny any liability to the plaintiff. The agreement between the second defendant and the first defendant dated 07.01.2017 got terminated due to the personal problems and financial crisis faced by the first defendant. As per the said agreement, the first defendant ought to have paid a sum of Rs.16,50,00,000/- in phased manner as per the schedule of payment and the time was essence of the contract. Since, the first defendant

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expressed his inability to keep up the schedule, the cancellation agreement was entered on 17.04.2017 and the money advanced returned to the first defendant. The first defendant himself did not acquire any rights under the agreement dated 07.01.2017 due to non fulfilment of consideration and other clauses. The first defendant was not authorised to enter into any agreement of sub distribute the right to third parties. Therefore, in the plaint alleging infringement of copyright is misconceived. In fact, the dealing between the plaintiff and the first defendant was only a loan transaction. That is the reason while the plaintiff made complaint before MSE council did not implicated the second defendant(producer).

7. In any event, the transaction entered between the plaintiff and the 1st defendant will not have any binding on the 2nd defendant in any manner. The agreement entered between the plaintiff and the 1st defendant is without any consent of the 2nd defendant. It is unbelievable that, the plaintiff entered into an agreement with the 1st defendant based on the photocopy of the agreement with the 2nd defendant without consideration portion and without making any enquiry about the same with the 2nd defendant. The 2nd defendant as a producer and copyright holder of the movie, after cancellation of the agreement with the 1st defendant had

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entered into an agreement with other third parties for the distribution right under the Minimum Guarantee Agreement. The 1st defendant admits his liability to pay a sum of Rs.3,40,00,000/- to the plaintiff and also willing to settle the same. Therefore, the plaintiff being a third party, without any privy to the 2nd defendant and had only financal agreement with the 1st defendant, cannot claim copyright over the 2nd defendant's movie or seek lien over the movie.

8. Based on the pleadings, this Court, on 01.07.2021, framed following issues for consideration:-

i) Whether the Agreement dated 03.03.2017 entered between the plaintiff and the first defendant is in regard to assignment of copyright of the feature film "Imaikka Nodigal" or only a financial agreement?

ii) Whether the Agreement entered between the first and the second defendant dated 07.01.2017 is valid and enforceable?

iii) Whether the cancellation Agreement dated 17.04.2017 entered between the defendants bristles with fraud or collusion?

iv)Whether the plaintiff is entitled for the

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declaration of the copyright as prayed for?

v) Whether the plaintiff is entitled for the relief of permanent injunction as prayed?

vi) Whether the Agreement entered between the plaintiff and the first defendant bind the second defendant?

vii) Whether the plaintiff is entitled for the alternate relief of return of money with interest?

viii) To what other relief the plaintiff is entitled?

9. To prove the respective claim, the plaintiff examined one of its partner as P.W.1. The Proprietor of the 2nd defendant was examined as D.W.1. On behalf of the plaintiff, 7 Exhibits and on behalf of the defendants, 8 Exhibits were marked.

Issue No.1:-

The agreement between the plaintiff and the 1st defendant dated 03.03.2017 is marked as Ex.P.2. The document is captioned as "distribution agreement". The 1st defendant as assignor has appointed the plaintiff as distributor to distribute, exhibit and exploit the Tamil movie titled "IMMAIKA NODIGAL"

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for the entire area of North Arcot, South Arcot, Chengalpet. The consideration for the grant of the above movie is fixed as Rs.4,25,00,000/-. The 1st defendant has agreed to pay 10% from the total collection of the distribution share amount to the plaintiff for the service rendered by the distributor.

The clauses 3 to 10 in Ex.P.2 reveals that, the intention of the parties is to assign the distribution right of the said movie for the North Arcot, South Arcot, Chengalpet area for the consideration fixed. The parties have also agreed that, if there is any dispute same shall be settled in the Court of Chennai.

The present plea by the defendant that this agreement was only a financial agreement is contrary to content of the document. There cannot be any oral evidence contrary to the content of the written document which is clear unambiguous. In Ex.P.2, we find that there is no clause which say about repayment of the money with or without interest which is *sine qua non (an essential condition)* for any financial agreement. The terms of agreement is clear and simple. The *quid pro quo (reciprocation)* for the consideration of Rs.4,25,00,000/- is the theatrical exploitation right within 'NSC' area, beside 10%

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of distribution commission. Therefore, this Court holds that, Ex.P.2 is not a finance agreement but an agreement relating to the right of distribution and exploitation of the movie “IMAIKKA NODIGAL” within the area of 'NSC'.

It is to be noted that, in the agreement dated 03.03.2017, the 1st defendant has claimed himself as Tamil Nadu theatrical exploitation rights holder of the Tamil colour Scope Talkie Picture titled “Imaikka Nodigal” starring Atharva, Nayanthara, Raashi Kanna and Anurag Kashyap, Vijay Sethupathi and others including by Hip Hop Tamizha directed by Ajay Gnanamuthu produced by M/s.Cameo Films (2nd defendant). Thus, the plaintiff know that, the movie was produced by the 2nd defendant herein, when the 1st defendant as an assignor received Rs.4,00,00,000/- from the plaintiff, for the grant of distribution right for the 'NSC' area.

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In the plaint, it is averred that, as per the agreement dated 07.01.2017, the copyrights have been granted and assigned in favour of the 1st defendant by the 2nd defendant in perpetuity. On the date of assignment of copyrights in favour of the plaintiff on 03.03.2017, the 1st defendant was authorised to assign the rights in

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favour of the plaintiff. Hence, cancellation of the agreement dated 07.01.2017, after assigning the 'NSC' area, the distribution right of the plaintiff will not affect the assignment of the right in favour of the plaintiff.

In support of this argument, the Learned Counsel for the plaintiff would reply upon the Division Bench judgment of this Court rendered in ***Yennes Infotech (P) Ltd -vs- The Managing Director, eNoah Solution Pvt. Ltd., and another***, while considering the Interlocutory Application for injunction in respect of alleged infringement of copyright of customised version of the tally software has held that at Paragraph No.21,

> "*21. Once a licence in any work in which copyright subsists is granted by the owner of the copyright or by his duly authorised agent, the licensee is entitled to exercise all rights covered by the licence, irrespective of the licence being exclusive or otherwise. When the owner of the copyright in any work grants any interest in the right by licence to another, such other may exploit the licence to the extent of the interest granted thereby for the period covered, if there is any limitation in such regard. Again, like in the case of assignment of copyright, a licence when granted cannot be*

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taken back by the owner of the copyright unless it is surrendered or it lapses for non-use by operation of law. The unpaid licensor's rights lie in a claim for money."

Relying the above observation, the Learned Counsel for the plaintiff would submit that the agreement dated 07.01.2017 doesn't make the assignment of copyright is subject to payment of consideration of Rs.16,50,00,000/-. Even if there is any failure on the part of the 1st defendant to pay the consideration, the copyright once assigned in favour of the 1st defendant cannot be cancelled by the 2nd defendant. The alleged cancellation of the assignment of copyright is a collusive act between the 1st and 2nd defendant. The contradictions between the pleadings and the oral evidence regarding return of the advance money made by the 1st defendant expose the collusive act of the defendants.

Hence, whether really the 1st defendant as on 03.03.2017 had any existing right to assign part or whole of the copyright for the production of movie "Imaikka Nodigal" based on the agreement dated 07.01.2017 (marked as Ex.D.1) is the fact for determination to answer this issue.

In Ex.D.1 is captioned as "Royalty Minimum Guarantee Agreement".

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The 2nd defendant as a 'producer' and the first defendant as the 'distributor' had entered into this agreement. As a producer and being the owner of the Copyright with the picture titled as “Imaikka Nodigal” 2nd defendant has agreed to grant the Commercial and Theatrical Exhibition Rights to the first defendant on Royalty Minimum Guarantee basis, for the area of Tamil Nadu, Pondicherry and Chittoor for a perpetuity period. A consideration of Rs.16,50,00,000/- was offered by the 1st defendant to the 2nd defendant for the grant of said right. The clause for consideration in Ex.D.1 reads as below:-

NOW THIS ASSIGNMENT WITNESSETH AS FOLLOWS:-

That the PRODUCER hereby grant the COMMERCIAL AND THEATRICAL EXHIBITION RIGHTS of the said Tamil Talkie Picture titled ***"IMAIKKA NODIGAL"*** *(Colour, Scope) on* ***ROYALTY MINIMUM GUARANTEE basis*** *for the area of* ***TAMILNADU INCLUDING PONDICHERRY & CHITTOR****, as known in the film trade for a perpetuity period.*

Consideration:-

1. In consideration of the grant of the above said rights of the said picture for the said area and period by the PRODUCER to the ASSIGNEE, the ASSIGNEE have offered to pay an amount of ***Rs.10,00,00,000/- (Rupees Ten Crores only) as ROYALTY MINIMUM GUARANTEE inclusive of***

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Print and Publicity expresses about Rs 2,00,00,000/- *as detailed below.*

a. Rs.2,00,00,000/- (Two Crores) on signing of this agreement.

b. Rs.1.00,00,000/- (One Crores) an or before 28th Feb, 2017

c. Rs.1.00,00,000/- (One Crores) an or before 30th Mar, 2017.

d. Rs.1,00,00,000/- (One Crores) on Audio Launch

e. Balance Rs.5,00,00,000/- (Five Crores Only) before general release of the said picture.

f. All the payments shall be made through RTGS only.

Time and mode of payment is the essence of this agreement.

If for any reason the payment schedule is delayed or defaulted by the DISTRIBUTOR then the producer shall have the right to terminate this agreement and arrange the release directly or through any other distributor and in that event the producer shall refund the advances till then received from the DISTRIBUTOR after general release of the picture without any interest or compensation.

For the services rendered by the Distributor, he will be paid a commission of 15% (Fifteen Percent) from the RUNNING REALIZATIONS or MINIMUM GUARANTEE amount whichever is higher, which can be recovered from the realizations.

The ROYALTY MINIMUM GUARANTEE Amount paid

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under this agreement will not be refunded BY THE PRODUCER to the DISTRIBUTOR under any circumstances once the picture is arranged for general release. Further if there will be any third party M G related commission and expenses it should be borne by the Distributor only and the PRODUCER will not be responsible for that."

In the said agreement (Ex.D.1), under the head of theatrical release, the parties have agreed that, the distributor (1st defendant) shall not appoint any sub-distributor or assign the right on outright lease basis or on fixed hire basis without the prior written consent of the producer.

Thus, it is clear that, when the 1st defendant and 2nd defendant entered into Ex.D.1 the Royalty Minimum Guarantee Agreement on 07.01.2017, the total consideration fixed, the schedule of payment fixed and parties have agreed that the time is essence of the contract and in case of failure or delay in payment as per the schedule, the agreement will be terminated and the producer shall refund the advance amount received from the distributor after general release of the picture without any interest or compensation. The parties have also agreed that the 1st defendant shall not appoint any sub-distributor or assign the rights on outright

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lease basis or on fixed hire basis without the prior written consent of the producer.

When the plaintiff advanced Rs.4,00,00,000/- on 03.03.2017 for assignment of copyright he had not obtained the consent of the producer. There is no evidence to show that, the transactions between the plaintiff and the 1st defendant on 03.03.2017 was within the knowledge of the 2nd defendant (the producer) or the prior consent of the producer was obtained. Therefore, when the Royalty Minimum Guarantee Agreement Ex.D.2 put an embargo on the 1st defendant from appointing sub-distributor or assign the right to third party, Ex.P.2 admittedly entered into the plaintiff and the 1st defendant without written consent of the 2nd defendant hence it is a defective agreement. The language and the intent of the parties to Ex.P.2 even is for the assignment of copyright to 'NSC' area but the said agreement is not enforceable in view of the failure on the part of the 1st defendant to get the written consent from the 2nd defendant before entering into an agreement with the plaintiff on 03.03.2017 for sub-distribution.

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The plaintiff allegation of collusion between the 1st and 2nd defendant for cancelling Ex.D.1 does not carry any substance. The recital found in the

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cancellation deed marked as Ex.D.3 reveals that, the parties have decided to cancel the earlier assignment deed by mutual consent. Therefore, even the citation relied by the plaintiff is not of much use for the plaintiff since the right conferred by the owner in favour of the 1st defendant being cancelled by mutual consent.

Therefore, this Court holds that, in view of the embargo in Ex.P.2, for want of prior consent of the producer. Ex.P.2 does not convey absolute assignment of copyright to the plaintiff in respect of theatrical exploitation of the moive "Imaikka Nodigal". Neither it is a financial agreement as pleaded by the defendants. Hence, Issue No.1 is answered accordingly.

Issue Nos.2 and 3:-

The 2nd defendant as a producer of the suit film has entered into a Royalty Minimum Guarantee Agreement dated 07.01.2017 (Ex.D.1) with the first defendant. The essential terms of the contract already extracted while discussing the Issue No.1. On the same day (07.01.2017), the defendants have also entered into a Minimum Guarantee Agreement (Ex.D.2) for entire worldwide theatrical

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right including all theatrical rights as known in the film trade including, All Language Satellite Rights, Foreign Theatrical Rights, Audio Rights, including all languages dubbing rights etc., all complete.

On 17.04.2017, the defendants have decided to cancel the agreement dated 07.01.2017. The deed of cancellation (Ex.D-3). The terms of the agreement reads as below:-

> *"Whereas the PRODUCER and the DISTRIBUTOR have entered into an agreement dated 7th January, 2017 on MINIMUM GUARANTEE ROYALTY BASIS on certain Terms and Conditions, in respect of complete rights for the entire world including all language Theatrical, Satellite, Broadcasting and Digital Rights, Foreign Theatrical, Broadcasting and Digital Rights, Audio Rights, Dubbing Rights, Remake Rights, etc., as known in the film trade for a sum of Rs.16,30,00,000/- (Rupees Sixteen Crores and Fifty Lakhs Only) and an advance amount of Rs.3,90,00,000/- (Rupees Three Crores Ninety Lakh Only) was received under this agreement till this day.*
>
> *Whereas the PRODUCER and the DISTRIBUTOR have decided to cancel the above said agreement and hereby announce that the agreement dated 7th January, 2017 in*

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respect of complete rights for the entire world including all language Theatrical, Satellite, Broadcasting and Digital Rights, Foreign Theatrical, Broadcasting and Digital Rights, Audio Rights, Dubbing Rights, Remake Rights, etc., as known in the film trade stands cancelled in reference to the Tamil film titled as "IMAIKKA NODIGAL" starring Atharva, Nayanthara, Anurag Kashyap, Rashi Kanna and Others, Music by Hip Hop Thamizha, Direction by Mr.Ajay Gnanamuthu.

The PRODUCER refunded the advance amount so received from the DISTRIBUTOR under the said agreement and the DISTRIBUTOR does hereby confirm the same.

Hereinafter the DISTRIBUTOR shall not claim any rights, privileges title and interest through the cancelled agreement.

The DISTRIBUTOR do hereby declare that they have not parted with the rights of the cancelled agreement or made any lien, charge or raised any loans, from anyone and if anything made known, it will be cleared immediately by the DISTRIBUTOR."

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The Learned Counsel for the plaintiff contended that, regarding the refund of the money advanced, the contradictions elicited during the cross

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examination of D.W-1 will show that, Ex.D.3 is a collusive document. There is no actual refund of money and the defendants have not produced proof for the refund of the advance money. In the oral evidence D.W-1 admits that no money was refunded to the first defendant. He took over the loan of the first defendant from the financiers, from whom the first defendant had borrowed Rs.90 lakhs against his movie. Therefore, the cancellation deed Ex.D.3, is not a valid document.

Further, it is also contended by the plaintiff that, under Ex.D.3, the first defendant had declared that, he has not parted with the rights of the cancelled agreement or made any lien, charge or raised any loans, from anyone and anything made known, it will cleared by him immediately. This declaration found in Ex.D.3 is a false declaration. It is in suppression of the agreement Ex.P-2, the first defendant had declared as if there is no assignment of rights.

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The Learned Counsels for the defendants in response to this argument, submit that, in fact the money advanced by the first defendant to the second defendant under Ex.D.1 was repaid not directly but by undertaking to discharge the loans of the first defendant. Therefore, the plaintiff doubt over the

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repayment of the money advance is baseless. As far as the declaration of the first defendant as found in cancellation deed (Ex.D.3), the first defendant counsel persistently argued that, the money advanced by the plaintiff under Ex.P.2 is only a financial assistance. After deducting Rs.60,000/- interest in advance, only Rs.3,40,00,000/- was paid by the plaintiff to the first defendant. The first defendant is ready to repay it in phased manner, which he has expressed in his counter affidavit filed before this Court in connection with the injunction application. The first defendant has not suppressed anything, while entering into the cancellation deed dated 17.04.2017. Hence, the suit as framed as dispute over copyright and is ill-conceived.

The Learned Counsel for the second defendant further submitted that, under Ex.D.1, the first defendant cannot enter into any agreement of sub distribution without the written consent of the second defendant. On the date of cancellation of the agreement (17.04.2017) Ex.D.1, the second defendant has not given any written consent for sub distribution. Therefore, if any sub distribution agreement entered between the plaintiff and first defendant, it is non est in law. Further, if any charge or lien or finance borrowed against this film, it is the

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responsibility of the first defendant to clear it and the second defendant cannot be held responsible for any transaction to which he is not privy.

Considering the above submissions, in the light of the terms of the agreement Ex.D.1, Ex.D.2 and Ex.D.3, leads to the conclusion that, the agreements between the first and second defendant entered on 07.01.2017 duly cancelled under Ex.D.3 and the transactions are valid and does not indicate any collusive conduct between the parties. If at all, any suppression or misrepresentation to be attributed, it is towards the first defendant alone. Accordingly, Issue Nos.2 and 3 are held against the plaintiff.

Issue Nos.4 and 5:-

The very conduct of the plaintiff approaching the MSE facilitation Council for refund of the money advanced along with interest is a clear indication of facts as understood by the plaintiff that, after delay in release of the film, his remedy is to seek refund of the money advanced and the liability to repay the money is only on the first defendant. Since, the first defendant as an assignor of

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copyright in favour of the plaintiff under Ex.P.2 had not obtained prior written consent from the second defendant before the assignment, the terms of Ex.P.2 cannot be specifically enforced. The first defendant, however had admitted that, he executed Ex.P.2 and received Rs.3,40,00,000/- from the plaintiff. His case is that, Ex.P.2 executed in tune with trade practise to secure the loan advanced by the plaintiff but the intention was not to create any assignment of copyright. Such plea contrary to the written terms of agreement cannot be countenanced. However, the facts of the case indicates that Ex.P.2 is a defective assignment deed for want of prior consent from the producer. Under Ex.D.3 the agreements dated 07.01.2017 stood cancelled. This leaves the plaintiff with no cause of action for seeking declaratory relief regarding the copyright or injunction. Only the alternate relief of recovery of money alone survives. Accordingly, issue Nos.4 and 5 are answered in negative.

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Issue Nos.6 and 7:-

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For want of privity of contract, the 2nd defendant cannot be held responsible for the conduct of the 1st defendant. The right existed with the first defendant between 07.01.2017 and 17.04.2017 was not alienable without the

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written consent of the second defendant. There is no evidence before this Court that the second defendant had any knowledge or he gave consent to the first defendant to alienate any right of distribution to the plaintiff for the 'NSC' area. Therefore, Ex.P.2 cannot bind the second defendant.

As far as the alternate relief of refund of the money advanced with interest, this Court finds execution of Ex.P.2 is not in dispute. The first defendant admits that, he received Rs.3,40,00,000/- on 03.03.2017 and deny receipt of Rs.4,00,00,000/- as claimed. The plaintiff beside Rs.4,00,00,000/- towards principle also claims 36% interest from the date of plaint, till realisation citing trade practise. In the absence of substantial evidence contrary to the admission of the first defendant, even if the alleged trade practice is true, it being against the public policy and the legislation (Tamil Nadu Prohibition of Charging Exorbitant Interest Act, 2003), this Court holds that, the plaintiff is entitled for the alternate relief of refund of the money admitted amount of Rs.3,40,00,000/- as against the first defendant, who received the money. As far as interest is concern, the plaintiff is entitled for 12 % interest from the date of plaint (24.08.2018) till the date of realisation for the admitted liability of Rs.3,40,00,000/-.

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10. In the result, the Suit against the 1st defendant for recovery of Rs.3,40,00,000/- with 12% from the date of plaint (24.08.2018) till the date of realisation is decreed. The suit as against the 2nd defendant is dismissed. Considering the facts and circumstances of the case, no order as to costs.

27.10.2021

Index :Yes
Internet :Yes
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List of witnesses were examined on the side of the Plaintiff:-
Mr.M.Ravindran (P.W.1)

List of witnesses were examined on the side of the defendants:-
Mr.C.J.Jayakumar (D.W.2)

List of the exhibits marked on the side of the Plaintiffs:-

Sl.No.	Exhibits	Dated	Description of documents
1.	Ex.P1	05.04.2012	Photocopy of the Registered Partnership Deed.
2.	Ex.P2	03.03.2017	Photocopy of the Distribution Agreement.
3.	Ex.P3	27.06.2018	Original Newspaper Advertisement "Dhina Thanthi"
4.	Ex.P4	07.08.2018	Office Photocopy of the plaintiff letter.
5.	Ex.P5	11.08.2018	Photocopy of the reply.
6.	Ex.P6	22.08.2018	Original Newspaper Advertisement "Dhinakaran"
7.	Ex.P7	23.08.2018	Original Newspaper Advertisement "Dhina Thanthi"

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List of exhibits marked on the side of the Defendants:-

Sl.No.	Exhibits	Dated	Description of Documents
1.	Ex.D1	07.01.2017	Original Agreement between D1 and D2
2.	Ex.D2	07.01.2017	Original Minimum Guarantee Agreement for entire World including Tamil Nadu between the defendants.
3.	Ex.D3	17.04.2017	Original Cancellation Agreement entered between the defendants.
4.	Ex.D4	26.04.2017	Copy of the Letter to President, The Chennai Kancheepuram Tiruvallur Districts Film Distributors Associations.
5.	Ex.D5	26.04.2017	Copy of the Letter to President, The Tamil Film Producers.
6.	Ex.D6	29.05.2017	Original Distribution Agreement between the 2nd defendant and Gokul Films.
7.	Ex.D7	26.07.2018	Original Minimum Guarantee Agreement between the 2nd defendant and K.Kalaiyappan.
8.	Ex.D8	21.08.2018	Original Minimum Guarantee Agreement between the 2nd respondent and Susma Cine Arts.

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