



WEB COPY



Civil Suit No.932 of 2015

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 02.07.2024

CORAM

THE HONOURABLE Mr. JUSTICE P.VELMURUGAN

Civil Suit No. 932 of 2015

Sunstar Hotels and Estates Private Limited
No.16/3, Vidhyodaya, 1st Cross Street
T.Nagar, Chennai - 600 017
Represented by its Director
S.D.Rami Reddy

... Plaintiff

Vs.

Thirrupathi Brothers Film Media (P) Ltd
No.16, Lamech Street, Janaki Nagar
Valasarwakam, Chennai - 600 087
Represented by its Director
N.Subhash Chandra Bose

... Defendant

Prayer:-

Civil Suit has been filed under Order VII Rule 1 of Code of Civil Procedure, 1908 read with Order IV Rule 1 of the Original Side Rules, prays for a judgment and decree :-

a) directing the defendant herein to pay forthwith a sum of Rs.5,00,00,000/- (Indian Rupees Five Crores only) to the plaintiff and also to pay interest at such rates as this Hon'ble Court may deem fit and



Civil Suit No.932 of 2015

proper from the date of this suit till the final payment is made by the defendant towards the amounts due to the plaintiff;

b) award costs of this suit to the plaintiff.

For Plaintiff : Mr.P.K.Rajagopal

For Defendant : set *ex-parte* on 31.01.2024

J U D G M E N T

This Civil Suit has been filed seeking to direct the defendant herein to pay forthwith a sum of Rs.5,00,00,000/- (Indian Rupees Five Crores only) to the plaintiff and also to pay interest at such rates as this Hon'ble Court may deem fit and proper from the date of this suit till the final payment is made by the defendant towards the amounts due to the plaintiff and also seeking to pay the award costs of this suit to the plaintiff.

2. The brief facts of the plaint are as follows :

(a) The plaintiff is a Company registered under the Companies Act, 1956 having been registered with the Registrar of Companies of Tamil Nadu on 27.02.2006, *inter alia* its object is to carry on business of financiers, that is, to lend and advance money or give credit either with or



Civil Suit No.932 of 2015

WEB COPY

without security to such persons, firms, associates, companies and body corporate and upon such terms and conditions as the company thinks fit.

(b) The defendant herein is one of the entities/persons, who have been availing credits/loans from the plaintiff/Company. While so, the defendant/Company approached the plaintiff in January 2012 for financial assistance for production of their proposed film stated to be 'Production No.6'. Based on the representation, the plaintiff lent a sum of Rs.2,00,00,000/- (Indian Rupees Two Crores only) to the defendant by way of Real Time Gross Settlement (RTGS). The defendant executed two promissory notes for Rs.1,00,00,000/- each, and also issued two undated cheques for Rs.1,00,00,000/- each, favouring the plaintiff/Company. Further, towards security for the said loan, the defendant executed a Distribution Agreement dated 11.01.2012, assigning the distribution rights in respect of the proposed film in favour of the plaintiff for the territories of Chennai City, North Arcot and South Arcot, which is known as NSC and Coimbatore areas as known in the film trade.

(c) Further, the plaintiff paid a sum of Rs.1,50,00,000/- (Indian Rupees One Crore Fifty Lakhs only) to the defendant on 10.07.2013.



Civil Suit No.932 of 2015

WEB COPY

Despite receiving the payments, the defendant did not produce the said film, and the defendant given an assurance that they would settle the entire dues of the plaintiff before releasing the film and also requested further loan of Rs.5,00,00,000/- (Rupees Five Crores Only) for the purpose of the said proposed production, styled as "Production No.10" by the defendant. Subsequently, the plaintiff once again advanced a further sum of Rs.5,00,00,000/- to the defendant on 11.10.2013 through RTGS. To secure repayment, the defendant assigned the distribution rights of the said film in favour of the plaintiff for the areas of Chengalpet and NSC area under the distribution agreement dated 11.10.2013. Subsequently, even that film was abandoned by the defendant. However, the defendant launched the production of another movie titled "Utthama Villain" and again assured that before release of the said film, they would settle the plaintiff's dues fully.

(d) While that being so, it came to knowledge of the plaintiff that 'Utthama Villain' was being produced by the defendant under a different banner 'Thirrupathi Brothers'. Upon being confronted, the defendant issued five undated cheques, each for a sum of Rs.1,00,00,000/- in favour



Civil Suit No.932 of 2015

WEB COPY

of the plaintiff and assured that they would settle the entire account before release of 'Utthama Villain'. They even assigned to the plaintiff through Thirrupathi Brothers the distribution rights of 'Utthama Villain' for the entire Tamil Nadu under the agreement dated 02.07.2014 to the plaintiff to secure the repayment to the plaintiff. However, the defendant, without settling the dues of the plaintiff, released the said film in May 2015. When the plaintiff confronted the defendant on all such acts of defaults on the part of the defendant, the defendant agreed to settle a sum of Rs.5,00,00,000/- in full and final settlement of their dues to the plaintiff. As the defendant paid interests to the said amount, up to 31.03.2015, the plaintiff agreed to receive Rs.5,00,00,000/-, in such full and final settlement within 90 days or before release of their another film titled "Rajini Murugan", whichever is earlier. However, the defendant failed to keep up their promise once again and they have not paid any sum after 31.03.2015 to the plaintiff. In order to defeat the claim of the



Civil Suit No.932 of 2015

WEB COPY

plaintiff, the defendant suddenly announced the release date of the film "Rajini Murugan" on 04.12.2015 in 'Dina Thanthi' Tamil daily.

3. Thus, the facts stated above clearly establish the dishonest and fraudulent intention on the part of the Directors of the defendant/Company. It is further stated that the plaintiff/Company restricts their claim to Rs.5,00,00,000/- that was agreed mutually upon negotiation between the plaintiff and the defendant. Hence, the plaintiff is constrained to file the present suit to realize the amount due to the plaintiff from the defendant.

4. Though the sole defendant has been served as early as on 20.01.2016, written statement was not filed within the prescribed time limit, the defendant was set *ex-parte* by this Court.

5. On the side of the plaintiff, the Authorized Signatory of the plaintiff/Company, Mr.Ankur Y.Malhotra was examined as P.W.1, who has reiterated the averments made in the plaint and also admitted that out



Civil Suit No.932 of 2015

WEB COPY

of the suit claim i.e., Rs.5,00,00,000/-, the defendant/Company has paid a sum of Rs.1,00,00,000/- during the pendency of the suit and he has also marked 14 documents as Exs.P1 to P14.

6. Heard the learned counsel appearing for the plaintiff and perused the materials available on record.

7. It is seen that the suit claim was Rs.5,00,00,000/- with interest and costs. In the Proof Affidavit, P.W.1 himself admitted that during the pendency of the suit, the defendant has paid Rs.1,00,00,000/-.

8. On a perusal of the plaint averments, Proof Affidavit of the plaintiff and documents marked on behalf of them, this Court finds that the suit claim is proved by the plaintiff and hence, the plaintiff-Company is entitled for the decree in respect of the principal amount of Rs.4,00,00,000/- (Rupees Four Crores only) with interest. Accordingly, the suit is decreed in part with costs.



Civil Suit No.932 of 2015

WEB COPY

9. The plaintiff/Company has financed the amount to the defendant for making the movie and the facts are not disputed. Since this is a Commercial dispute, 18% per annum interest is ordered from the date of filing of the suit till the date of realization. The plaintiff is also entitled for apportioned costs on Rs.4,00,00,000/-(Rupees Four Crores Only) and interest thereunder. Consequently, connected applications are closed, if any.

02.07.2024

Index: Yes/No

Speaking Order : Yes/No

Neutral Citation Case : Yes/No

ms



Civil Suit No.932 of 2015

WEB COPY

List of Witness examined on the side of the plaintiff

Ankur Y.Malhotra - PW1

List of documents marked on the side of the plaintiff

SL. No	Exhibits	DESCRIPTION OF DOCUMENTS	DATED
1.	P1	Original Resolution of the Board of Directors of the plaintiff Company	25.06.2024
2.	P2	Original distribution rights agreement between the parties	11.01.2012
3.	P3	Original Promissory note by the defendant favoring the plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
4.	P4	Original Promissory note by the defendant favoring plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
5.	P5	Original Cheque No.863185 issued by defendant to plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
6.	P6	Original Cheque No.863186 issued by defendant to plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
7.	P7	Original distribution rights agreement between the parties	11.10.2013
8.	P8	Original distribution rights agreement between the parties	02.07.2014
9.	P9	Original Cheque No.576117 issued by the defendant to the plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	



Civil Suit No.932 of 2015

WEB COPY

10.	P10	Original Cheque No.576118 issued by the defendant to the plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
11.	P11	Original Cheque No.576119 issued by the defendant to the plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
12.	P12	Original Cheque No.576120 issued by the defendant to the plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
13.	P13	Original Cheque No.576121 issued by the defendant to the plaintiff for Rs.1,00,00,000/- (Indian Rupees One Crore only)	
14.	P14	Original Paper advertisement in Dina Thanthi Chennai edition of release of move Rajini Murugan by the defendant dated 30.11.2015	

02.07.2024

ms



WEB COPY



Civil Suit No.932 of 2015

P.VELMURUGAN, J

ms

C.S.No.932 of 2015

02.07.2024