



Appeal Suit No.219 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 24/2/2025

C O R A M

THE HONOURABLE Mr.JUSTICE N.SATHISH KUMAR

A.S.No.219 of 2022

A.Se.Angkammal
W/o.Sengodan
D.No.10 Street No.8
C.H.B.Colony, Velur Road
Tiruchengode
Namakkal District.

... Appellant

Vs

R. Lakshmana Perumal Pillai
No.52 Kannammal Street
Saligramam
Chennai 600 093.

Now residing at
R.Lakshmana Perumal Pillai
C/o.Neomed Hospital
2181, L Block, 12th Main Road
Anna Nagar
Chennai 600 040.

... Respondent

PRAYER: Suit filed under Section 96 of the Code of Civil Procedure, 1908
against the judgment and decree dated 22/12/2021 made in O.S.No.49 of
2019 on the file of the Principal District Judge, Namakkal.



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For appellant ... Mr.C.Prabakaran

For respondent ... Mr.R.Sagadevan

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JUDGMENT

Aggrieved over the dismissal of the suit for recovery of money, present appeal has been filed by the unsuccessful plaintiff.

2. The parties are referred to as per their ranking in the suit.

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

The plaintiff is known to the defendant for several years. She is running a film distribution office at Door No.10, Street No.8, C.H.B.Colony, Velur Road, Tiruchengode, Namakkal District. The defendant is doing cini business under the name and style of “Sivabalan Pictures” at No.52, Kannammal Street, Saligramam, Chennai. The defendant has offered to sell the distribution right of the film known as 'Rekka' in Salem District to the plaintiff. Accordingly, Letter of Arrangement dated 30/8/2016 came to be executed between the parties. On the day itself, plaintiff has paid a sum of Rs.5 lakhs as cash to the defendant as advance. Later, the plaintiff had



paid the defendant a further sum of Rs.5 lakhs through RTGS from Indian Overseas Bank to the defendant's Bank account.

4. Ever since the date of Letter of Arrangement, plaintiff was ready and willing to perform her part of obligation. Now, the defendant has purposely evaded to give the said film to the plaintiff. Later, the defendant has sold the distribution right of the film 'Rekka' to the third party without the plaintiff's consent. After that the defendant had personally approached the plaintiff and promised that he will repay the advance amount of Rs.15 lakhs and pursuant to the Letter of Arrangement dated 30/8/2016, with interest at the rate of 18% p.m., per hundred within a month.

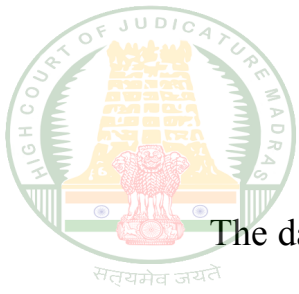
5. In spite of the repeated demands made by the plaintiff, defendant did not pay the principal amount with interest. Hence, the plaintiff issued a legal notice dated 8/11/2017, the same has not been received by the defendant purposely. Again on 14/12/2017, another legal notice was issued to the other address of the defendant and the same was received by the defendant on 16/12/2017. After receipt of the legal notice, defendant did not choose to repay the amount. Hence, the suit.

6. It is the contention of the defendant that plaintiff is not known to



the defendant, at any point of time. He did not enter into any agreement with the plaintiff. According to the defendant, distribution to Salem area for the movie 'Rekka' was purchased by one Anand Raja, who is the resident of Kovilpatti, for a sum of Rs.95 lakhs on MG royalty basis, but not on distribution basis. In a minimum guarantee deal, distributor pays a non-refundable minimum guarantee for the territory and bears the distribution expenses. Publicity is taken care by the producer. Once the distributor recovers the minimum guarantee along with distribution expenses and commission at 10 - 15% of the earnings, the over flow is shared at 50:50 between producer and distributor. In a Royalty (also called MG Royalty) deal, distributor pays a non-refundable royalty amount and also spends on publicity and distribution. Once the distributor recovers MG Royalty amount along with publicity, distribution expenses and commission at 15-20%, the over flow is shared at 50:50 between the producer and the distributor.

7. The said Anand Raja, after obtaining the film rights for Salem area, distributed to various theatres and settled the amount by way of cash and RTGS from various accounts of theatre owners, including the plaintiff account. Hence, it is the contention of the defendant that Letter of Arrangement was bogusly created and the defendant had never signed it.



The date of release of the movie 'Rekka' was 7/10/2017. The plaintiff sent a lawyer notice after two months of the release date of the movie. The alleged payment of Rs.5 lakhs in cash and another sum of Rs.5 lakhs each on two different dates itself clearly indicates that the amount has been sent by Anand Raja. According to him, Letter of Arrangement is a bogus deed and hence, it does not bind the defendant. Therefore, he disputes the suit claim.

8. Based on the above pleadings, the following issues have been framed by the trial Court.

(i). Whether the defendant has to pay the suit claim of Rs.18,86,250/- and subsequent interest on advance amount of Rs.15,00,000/- at the rate of 18% p.a., from the date of suit?

(ii). To what relief, the parties are entitled to?

9. On the side of the plaintiff, P.W.1 was examined and Exs.A.1 to A.8 were marked. On the side of the defendant, one Power Agent was examined and Ex.B.1 was marked. Based on the evidence and materials,



trial Court has dismissed the suit. Challenging the same, present appeal came to be filed.

10. Heard Mr.C.Prabakaran, learned counsel for the appellant and Mr.R.Sagadevan, learned counsel for the respondent.

11. The learned counsel appearing for the plaintiff would submit that two payments, viz., Rs.5 lakhs each, were transferred to the defendant account on 20/9/2016 and 22/9/2016. Further, it is the contention that the defendant has not entered into the box whereas his Power Agent alone has been examined. Therefore, it is his contention that Ex.A.1 has been clearly spoken by P.W.1 and two payments also transferred to the defendant's account. Therefore, it has to be held that there is a valid contract between the parties as the defendant cannot renege from the contract. The plaintiff is certainly entitled for recovery of the amount on the basis of Ex.A.1.

12. Further, the defendant has not established the alleged plea of forgery of document. The trial Court has not considered this aspect. Further to prove the defence that the defendant has sold the distribution right only to Anand Raja no document or shred of material was filed.



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13. Whereas the learned counsel appearing for the defendant would submit that the very execution of the document by the defendant has not been established. The plaintiff is no way connected to the cinema field. Therefore, claim of the plaintiff that she has entered into a contract for Rs.95 lakhs and paid Rs.24 laks as per Ex.A.1 is highly improbable. Further, the very execution of Ex.A.1 has not been established. Only a xerox signature alone is found in Ex.A.1. This fact itself demonstrates that the document has been created at a later point of time, taking advantage of two payments made through the Bank transfer into the defendant account. According to the learned counsel, the said payments were made by Anand Raja who has entered into an agreement for Salem District on the minimum guarantee terms. After the movie has been released, since there was some loss occurred to the distributor, taking advantage of the payment transferred from the plaintiff's account, the suit has been laid. Hence, according to him, trial Court has considered the entire matter threadbare and dismissed the suit.

14. In the light of the above, now the point that arises for consideration is



(i). Whether there is a valid agreement between the plaintiff and defendant in respect of the distribution of the film 'Rekka'?

(ii) Whether Ex.A.1 Letter of Arrangement was executed by the defendant in favour of the plaintiff?

(iii) To what relief, the parties are entitled to?

15. I have perused the entire materials available on record.

16. It is the specific case of the plaintiff that she is known to the defendant for several years and also running the film distribution office at Door No.10, Street No.8, C.H.B.Colony, Velur Road, Tiruchengode, Namakkal District. Therefore, she has entered into an agreement, viz., Letter of Arrangement, dated 30/8/2016 in respect of the cinema known as 'Rekka' and paid a sum of Rs.5 lakhs on the date of agreement itself as cash and remaining sum of Rs.10 lakhs has been paid through Bank transfer on 20/9/2016 and 22/9/2016, whereas the specific stand of the defendant is that the plaintiff is not known to the defendant at any point of time. The distribution right of guarantee terms has been given to Anand Raja of Kovilpatti on MG royalty basis, but not on distribution basis. Only in the income, amount would be shared in the ratio 50:50. Though certain amounts



have been sent to his bank account through the plaintiff's account, according to the defendant that amount has been transferred by Anand Raja.

17. It is the specific case of the plaintiff that she is running a film distribution office at Tiruchengode. When her evidence is carefully seen, this Court is of the view that the same is totally contrary to her pleadings. She has categorically admitted in her cross-examination that she has never done any business in distribution and further she has admitted in cross-examination that prior to Ex.A.1 document there was no business connection between the plaintiff and defendant at any point of time. She has also admitted that she came to know the defendant only when Ex.A.1 was executed at Chennai. Further, she has also admitted that she does not own any cinema theatre.

18. In the light of the above admission, now it has to be seen whether Ex.A.1, as alleged by the plaintiff, was entered into between the parties granting distribution rights to the plaintiff. Ex.A.1 when carefully seen is a

Letter of Arrangement. On a bare perusal of Ex.A.1, it is clear that Letter of Arrangement and contents is a copy. In fact, xerox copy has been taken of



the signature of the defendant, which was originally found in original document. Thereafter, the signature of the plaintiff has been put in a different ink. If really, the plaintiff was present and document came into existence in Chennai on the same date, there was no necessity for affixing the xerox signature of the defendant in the document. This itself clearly creating a serious doubt about the veracity of Ex.A.1, particularly when a person who has no idea of cinema field and is not running any such office at Salem enters into such contract for a huge sum of Rs.95 lakhs.

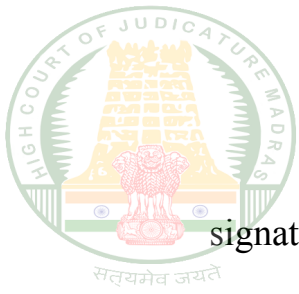
19. Further, a perusal of Ex.A.1 would indicate that Rs.24 lakhs has been paid as cash on the same date i.e., on 30/8/2016. Therefore, contract itself creates a serious doubt as to whether it has come into existence after consensus of the parties. If both the parties were present in Chennai and contract came to be executed, both should have been signed on the same day and original signature of the defendant must have been found in

Ex.A.1, whereas only xerox signature is found in Ex.A.1. This fact coupled with the admission of the plaintiff that she has no idea of cine field fortifies



the defence theory that only a sum of Rs.5 lakhs has been sent through the plaintiff's account by the third party who have acquired right. These contradictions are common in the cine field, particularly distribution side and transferring money from various accounts is not alien to contracts prevailing in the cine field. Therefore, this Court is of the view that merely because a sum of Rs.5 lakhs came to the defendant's Bank account cannot, by itself, be a ground to hold that there is a valid contract entered into between the parties, as per Ex.A.1.

20. Though the defendant has not entered into the box, only his Power Agent was examined. Power Agent also clearly stated that he was also aware of the facts and he is working for more than 8 years in the defendant Company and he has spoken about the facts. When the very genuineness of the document Ex.A.1 has not been established and it is contrary to the pleading, and when the plaintiff herself had admitted that she has never had any business transaction prior to this Ex.A1, it cannot be said that the defendant has not entered into the box and, therefore, the case of the plaintiff has to be accepted. This Court is of the view that plaintiff has not established her initial burden to prove Ex.A.1. Ex.A.1 is shrouded with serious doubt the manner in which the xerox copy has been used and plaintiff



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signature alone has been signed originally, this Court is of the view that in fact this one circumstance is sufficient to probabalise the defence theory.

Accordingly, I do not find any merits in the appeal and the suit deserves dismissal.

21. In the result, this Appeal suit is dismissed and the points are answered against the appellant. No costs.

24/2/2025

mvs.

Index: Yes/No

Neutral Citation: Yes/No

To

1. The Principal District Judge, Namakkal.

N.SATHISH KUMAR,J

mvs.



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