IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28-11-2025

CORAM

THE HONOURABLE MR.JUSTICE N.SENTHILKUMAR

A No. 5984 of 2025
in
C.S.(COMM.DIV.)No.306 of 2025

1. Studio Green Films Pvt Ltd,
Represented by its Director,
Mr K E Gnanavel Raja
No 23, Astalakshmi Nagar, 10th Street,
Alapakkam, Chennai 600 116

Applicant(s)

Vs

1. ZEE Entertainment Enterprises Ltd
Rep by its Authorised Signatory
Mr.Siju Prabhakaran,
No,33B, Olympia Platina, 2nd Floor,
SIDCO Industrial Estate,
Chennai-600 032

2.Pen India Private Limited
1101, B Wing, Fortune Terraces,
Opp. Citi Mall & PVR ECX,
New Link Road, Andheri West,
Mumbai 400053

Respondent(s)

PRAYER
To stay all further proceedings of the termination letter dated 31/07/2025 issued by the 1st Respondent/1st Defendant, pending disposal of the present suit.

For Applicant: Mr.Vijayan Subramanian

For R1: Mr.M.Narendran
for M/s.King & Partridge

ORDER

The present suit has been filed for the following reliefs:-

a) Declare that the termination notice dated 31.07.2025 issued by the 1st Defendant for terminating the assignment agreement dated 22.05.2023 is null, void, arbitrary and unenforceable by law;

b) Directing the 1st Defendant to pay a sum of Rs.1,00,00,000/- (Rupees one Crore only) towards the damages for loss of goodwill and reputation and causing mental agony to the plaintiff; and

c) pass such other order or directions as this Hon'ble court may deem fit and proper in the interests of justice.

2. The case of the plaintiff is as under:-

i) The plaintiff is the Film Production Company and they had commenced the production of the film titled **"VAA VATHIYAAR"** starring Karthi, Krithi Shetty and others, directed by Nalan Kumarasamy in the year 2023.

ii) The first defendant had approached the plaintiff to acquire the satellite rights of the said film for a valuable consideration. Pursuant to negotiation, an assignment agreement was entered between the plaintiff and first defendant on 22.5.2023 on the following terms:-

"*The Assignor hereby assigns and transfers to the Assignee during the Term and within the Territory (as set forth in Schedule 1) on an exclusive basis, the Assigned Rights (as set forth in Schedule 1) in the Permitted Languages (as set forth in Schedule*

1) in relation to and for exploitation of the Assigned Film (as set forth in Schedule 4)."

iii) The condition precedent, assignment fee and payment terms agreed under the said assignment agreement are as under:-

"*20% (twenty percent) of the Assignment Fee i.e., INR. 5,00,00,000/- (Indian Rupees Five Crores only) shall be paid within a period of 15 (fifteen) days from the date of execution of the Agreement by the Parties.*"

iv) The rights assigned as per the said assignment agreement are as under:-

Sl.No.	***Assigned Rights***	***Exclusivity/Non-Exclusivity***	***Remarks***
1.	Linear Rights	All Assigned Rights will be exclusive for India and non-exclusive for the Territory excluding India	NIL
2.	Local Cable Distribution Rights		NIL
3.	Terrestrial Television Rights		NIL
4.	Catch Up TV Rights		NIL

v) Subsequently, a tripartite agreement was entered among the plaintiff, the first defendant and the second defendant, who is a third party to the original agreement entered between the plaintiff and the first defendant on 22.5.2023. The tripartite agreement contains the following terms:-

"2. Upon the execution of the Agreement and as per Clause 6.2.1 therein, Assignee is obliged to pay an Assignment Fee, i.e., a sum of INR 5,00,00,000/- (Indian

*Rupees Five Crores only) exclusive of applicable GST and subject to TDS as per the Income Tax Act, 1961. The Assignee has paid a sum of INR 2,15,00,000/- (Indian Rupees Two Crores and Fifteen Lakhs Only) less 10% (ten percent) TDS of INR 1,93,50,000/- (Indian Rupees One Crore Ninety-Three Lakhs and Fifty Thousand Only) to the Assignor as of the date (**"Paid Fee"**) and the sum of INR 2,85,00,000/- (Rupees Two Crores and Eighty-Five Lakhs only) of advance consideration under clause 6.2.1 is payable to the Assignor and the Assignee acknowledges and confirm the same.*

*3. The Assignor hereby directs the Assignee to pay the balance tranches of the Assignment Fee, amounting to INR 22,85,00,000/- (Indian Rupees Twenty-Two Crores Eighty-Five Lakhs only), which shall be exclusive of applicable GST and subject to TDS as per the Income Tax Act, 1961 (**"Balance Fee"**) to Pen India Private Limited on behalf of the Assignor in the following bank account as per the terms and milestones as stated and captured in the Agreement:-*

Account Number	***01638100000171***
Account Name	Pen India Private Limited
Name of Bank	Yes Bank Ltd.
Branch	J.V.P.D.Scheme, Vile Parle (W)
IPSC Code	YESB0000163

4. Notwithstanding anything stated herein, the Assignor and the Assignee hereby agree and covenant to continue to comply with all the terms, obligations. undertakings, representations, warranties and covenants as set out in the Agreement.

....

7. This Letter shall be read in conjunction with the Agreement and any conflict between this Letter and the Agreement, the terms of Letter shall prevail to the extent to which such conflict exists."

vi) While so, on 31.07.2025, the first defendant has issued a termination letter to the plaintiff more specifically stating as under:-

"In view of the above and Your failure to release the Film on the Theatrical Release Date and a corresponding failure to deliver the Film Materials (as defined under the Agreement) to Us, we hereby terminate the Agreement in accordance with clause 8.4 of the Agreement. Please take note that the Agreement shall stand terminated on completion of 30 (thirty) days from the date of issuance thereof i.e., by August 30, 2025 ***("Termination Date")."***

3. Pointing out the above aspects, Mr.Vijayan Subramanian, learned counsel appearing for the plaintiff/applicant contended that as per the original agreement, which was entered between the plaintiff and the first defendant, the assignment rights are confined to the Linear Rights, Local Cable Distribution Rights, Terrestrial Television Rights and Catch Up TV Rights and according to clause 6.2.1 of the agreement, 20% of the assignments fee i.e., is Rs.5 crore shall be paid within a period of 15 days from the date of agreement. According to the plaintiff, the said amount was not paid as per the agreement and it is the

specific case that the amount paid by the first defendant to the plaintiff was to the tune of Rs.1,93,50,000/- on 3.11.2023, which is against the assignment agreement dated 22.5.2023 and their further case is that there was outstanding balance of Rs.2,85,00,000/- to be paid.

4. Mr.Vijayan Subramanian, learned counsel for the applicant/plaintiff further submitted that as per tripartite agreement dated 6.11.2025, more particularly in clause 7, it was agreed by all the three parties viz., plaintiff, first defendant and second defendant that the said letter shall be read in conjunction with the agreement and in case of any conflict between that Letter and the Agreement, the terms of the Letter shall prevail to the extent to which such conflict exists and thus, he had emphasised that the act of the first defendant in issuing the termination notice on 31.7.2025 flouting the tripartite agreement dated 6.11.2024 is *per se* illegal and contrary to the agreement entered by them and therefore seeks for an order of interim injunction.

5. Mr.M.Narendran, learned counsel, who appears for the first respondent, submits that there is no violation of the agreement as the termination of the assignment agreement dated 22.5.2023 was done only in accordance with clause 8.4 thereof.

6. It is not in dispute that subsequent to the original agreement, a tripartite agreement dated 6.11.2024 was entered among the plaintiff, the first defendant and the second defendant and there is also no dispute that as per clause 7 of the tripartite agreement the parties had agreed that in the event of

any conflict between the letter and the agreement, the terms of the letter shall prevail to the extent to which such conflict exists.

7. In view of the above, this court comes to the conclusion that the applicant/plaintiff has, prima facie, made out a case for grant of interim injunction. Therefore, there shall be an order of interim injunction as prayed for. Issue notice to the second respondent returnable by 12.01.2026.

8. The plaintiff shall comply with Order 39 Rule 3 CPC.

Post the matter on 12.01.2026.

28-11-2025

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

To

1.ZEE Entertainment Enterprises
Limited
Rep by its Authorised Signatory,
Mr.Siju Prabhakaran,
No,33B, Olympia Platina, 2nd Floor,
SIDCO Industrial Estate,
Chennai-600 032

2.Pen India Private Limited
1101, B Wing, Fortune Terraces,
Opp. Citi Mall & PVR ECX,
New Link Road, Andheri West,
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