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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION

COMM ARBITRATION PETITION (L) NO.34544 OF 2026

AND Movie Products LLP ... Petitioners

Vs.

1. Echelon Productions
2. Vishal Rana
3. Khyati Harendra Shah ... Respondents

ATUL GANESH KULKARNI

Digitally signed by ATUL GANESH KULKARNI
Date: 2026.10.19 14:32:55 +0530

Mr. Ashish Kamat, Senior Advocate with Mr. Rashmin Khandekar, Mr. Ashwin Bhadang, Mr. Arpit Choudhary, Mr. Krunal Mehta, Ms. Karen Koya, Ms. Akshata Modi, and Mr. Varun Dhond i/by King Stubb & Kasiva for the Petitioners.

Mr. Anand Mohan with Mr. Lavin Hirani, and Mr. Clint G. Thattil i/by Mr. Vikramaditya Chavan for the Respondents.

CORAM : AMIT BORKAR, J.

DATED : OCTOBER 19, 2026

JUDGMENT:

1. By filing the present Petition under Section 9 of the Arbitration and Conciliation Act, 1996, the Petitioner seeks urgent interim protection to secure the amount in dispute and to protect the subject matter of the arbitration.

2. The subject matter is a Hindi cinematograph film titled "Tu Hai Meri Kiran", starring Sonakshi Sinha, Zaheer Iqbal and others (hereinafter referred to as "the said Film"). The Petitioner and Respondent No. 1 have jointly produced the said Film and are its joint owners under an Agreement for Co-Production effective from 27 March 2024 (hereinafter referred to as "the said Agreement"). According to the Petitioner, it invested a total amount of Rs.8,85,00,000/-, comprising Rs.7,50,00,000/- towards its share of the investment and Rs.1,35,00,000/- towards GST. Though the Respondents received this amount and were bound under the Agreement to return it, they have failed to do so. Further, the cheque issued by Respondent No. 1 for Rs.7,50,00,000/- was dishonoured in January 2026 because payment was stopped. The Respondents have now announced the theatrical release of the said Film on 23 October 2026. According to the Petitioner, this proposed release is in breach of its rights under the said Agreement, including its lien over the Film, its joint ownership rights, its right to give consent and its right to receive the agreed credits. According to the Petitioner, the following facts led to the filing of the present Petition. The Petitioner and Respondent No. 1 entered into an Agreement for Co-Production effective from 27 March 2024 for jointly producing the Hindi cinematograph film "Tu Hai Meri Kiran" (hereinafter referred to as "the said Film"). Under the said Agreement, the Petitioner was required to invest Rs.7,50,00,000/- plus GST towards the production of the Film. In return, the Petitioner was given joint ownership and rights to commercially exploit the Film. Between 19 March 2024 and 16

January 2025, the Petitioner paid the entire investment amount of Rs.8,85,00,000/- towards the production of the Film. However, despite receiving the amount, the Respondents failed to provide proper accounts, copies of production agreements, receipts for payments and other details showing how the investment amount had been used and how the rights in the Film had been exploited. The Petitioner claims that it fully performed its obligations under the said Agreement. It called upon Respondent No. 1 to provide a statement of expenses along with supporting payment receipts, as required under Clauses 4.4.2 and 6 of the said Agreement.

3. The Petitioner states that, on 1 January 2026, after its repeated demands, the Respondents acknowledged their liability and assured the Petitioner that its investment amount would be repaid. To discharge this liability, Respondent No. 1, through Respondent No. 2, issued Cheque No. 310772 dated 1 January 2026 for Rs.7,50,00,000/-. However, the cheque was dishonoured and returned unpaid, as recorded in the bank return memo dated 2 January 2026. On 12 January 2026, the Petitioner, through its Advocate, issued a legal notice-cum-demand notice to the Respondents. The Respondents sent a holding reply on 17 January 2026. Thereafter, the Petitioner filed a complaint, being Criminal Case No. 35824 of 2026. The Petitioner lodged a complaint with the Police Commissioner, Lucknow, Uttar Pradesh, alleging that the Respondents had committed offences of fraud, cheating and criminal breach of trust. Subsequently, on 1 October 2026, the Respondents released a poster of the said Film and announced that it would be released in theatres on 23 October 2026. On 1 October

2026, the Petitioner sent an email to Respondent No. 1 calling upon it to return the investment amount, provide details of all agreements relating to production and exploitation of the Film, and comply with its obligations under the said Agreement. These obligations included respecting the Petitioner's lien over the Film, its joint ownership rights and its right to give consent. On 5 October 2026, Respondent No. 1, through its Advocate, sent a holding reply. According to the Petitioner, Respondent No. 1 has neither complied with the requests made in the email dated 1 October 2026 nor returned the investment amount, even though the final date of 2 October 2026, prescribed under Clause 5.3 of the said Agreement, had passed. The Petitioner alleges that the Respondents are proceeding with the theatrical release and commercial exploitation of the Film on 23 October 2026 without making the Petitioner a confirming party to the relevant agreements or obtaining its consent. The Petitioner apprehends that the Respondents have entered into agreements or made arrangements with third parties for exploiting the theatrical, satellite, digital, music and other rights in the Film without its consent and without involving it. In these circumstances, the Petitioner has filed the present Petition.

4. Mr. Kamat, learned Senior Advocate appearing for the Petitioner, submitted that Respondent No. 1 has committed the following material breaches of the said Agreement.

(i) Respondent No. 1 has failed to return the Petitioner's investment amount of Rs.8,85,00,000/-, comprising Rs.7,50,00,000/- towards the Petitioner's share of the

investment and Rs.1,35,00,000/- towards GST at 18%. According to the Petitioner, the amount was required to be returned on or before 27 April 2025 and, in any case, by 2 October 2026. This failure is alleged to be in breach of Clauses 5.3 and 5.8 of the said Agreement.

(ii) Respondent No. 1 failed to complete production of the Film and provide the First Copy within nine months. It failed to commercially exploit the rights in the Film within thirteen months. According to the Petitioner, these failures are in breach of Clauses 4.1, 5.8 and 11.1(i) of the said Agreement. Respondent No. 1 has failed to issue the necessary no-objection certificates (NOCs) to ensure that the revenue earned from exploitation of the Film is paid directly to the Petitioner, as required under Clause 5.8.

(iii) Respondent No. 1 has allegedly entered into arrangements or agreements with third parties, including PAM Studios and Saregama India Limited, for exploiting the Film without obtaining the Petitioner's prior consent and without making it a confirming party to those agreements. Mr. Kamat pointed out that the logos of these two entities appear on the poster of the Film. He submitted that such conduct is in breach of Clauses 5.1, 5.2 and 11.2(b) and (c) of the said Agreement.

(iv) Respondent No. 1 has allegedly brought third-party producers, co-producers or investors into the Film without complying with the terms of the said Agreement. According

to the Petitioner, this is in breach of Clauses 4.8, 8.1, 9.1 and 10.1.

(v) Respondent No. 1 has issued and circulated publicity material, including the poster of the Film, which does not mention the name of Mr. Pankaj Chauhan and omits the agreed credit "Produced by Echelon & AND Movie Productions". The poster describes the Petitioner only as an "associate". Mr. Kamat submitted that this is contrary to the agreed credits and the Petitioner's rights under Clauses 8.2 and 8.3 of the said Agreement.

(vi) Respondent No. 1 has failed to provide copies of production agreements within five days of their execution. It has failed to furnish accounts, statements of expenses and supporting payment receipts. According to the Petitioner, these failures are in breach of Clauses 4.4.2, 6 and 11.2(d) of the said Agreement.

(vii) Respondent No. 1 is proceeding with the release and commercial exploitation of the Film even though, according to the Petitioner, its lien over the Film and the revenue earned from it continues to exist. Mr. Kamat submitted that this conduct is in breach of Clauses 5.3, 11.1(g) and 11.2(a) of the said Agreement.

(viii) Respondent No. 1 has failed to provide details of any sale of the satellite and digital rights of the Film. According to the Petitioner, these details were necessary to enable it to obtain a better offer, as contemplated under Clauses 5.1, 5.2

and 11.2(b) and (c) of the said Agreement.

(ix) Respondent No. 1 has allegedly entered into arrangements or agreements for theatrical distribution of the Film without obtaining the Petitioner's prior consent and without making it a confirming party to those agreements. Mr. Kamat submitted that the announced theatrical release date of 23 October 2026, as mentioned on the poster, indicates that arrangements for the release are being made. According to him, this conduct is in breach of Clauses 5.1, 5.2 and 11.2(b) and (c) of the said Agreement.

5. Mr. Kamat submitted that the Film is a copyrighted work and any consent required under the Co-Production Agreement must be given in writing. He submitted that the cheque dated 1 January 2026 for Rs.7,50,00,000/- was issued long after the expiry of the thirteen-month period agreed between the parties for payment of the amount. According to him, this circumstance shows that the cheque was issued towards repayment of an existing liability. Therefore, the Respondents cannot avoid their liability by contending that the cheque was issued only as security. Referring to the email exchanged in October 2026, Mr. Kamat submitted that its terms show how the parties understood and acted upon the said Agreement. He argued that once the parties had recorded their agreement in writing, occasional acts or conduct could not take away the rights which had accrued to them under that Agreement. He submitted that the Petitioner's right to receive revenue earned from the Film is an independent right granted under the Agreement. It cannot be treated merely as a method of recovering

the investment amount. He contended that the alleged collaboration relied upon by the Respondents is not inconsistent with the written terms of the Agreement. According to him, the Respondents had requested the Petitioner to post a particular message on social media. The Petitioner accepted that request and posted the message. Such conduct, he submitted, cannot be treated as giving up the Petitioner's contractual rights. Mr. Kamat submitted that the Petitioner is entitled to enforce Clauses 5.1 to 5.3 of the said Agreement.

6. Per contra, Mr. Mohan, learned Advocate appearing for the Respondents, submitted that the Agreement for Co-Production effective from 27 March 2024 (hereinafter referred to as the "Co-Production Agreement") was entered into for investing in the production of the film "Tu Hai Meri Kiran" (hereinafter referred to as the "Film") and for commercially exploiting it. According to him, the Petitioner was not merely a financier who had provided money for making the Film. It was a partner in the venture, as is stated in the Petition. The Respondents have invested a substantial amount of money and spent about two years in making the Film, which required considerable time, effort and hard work. The Petitioner's investment was secured by the Film and the lien over it. Mr. Mohan submitted that the Petitioner has approached this Court seeking an injunction on the false ground that the scheduled release of the Film on 23 October 2026 would put its right to recover the investment amount at risk. According to him, there is no truth in this allegation.

7. Mr. Mohan submitted that the Petitioner's present stand is directly contrary to its own conduct. According to him, the Petitioner and Mr. Sarvesh Goel have actively promoted and publicised the release of the Film on 23 October 2026, in collaboration with the Respondents, Saregama and PAM. He contended that the very foundation of the Petition is false and misleading. The Petitioner now claims to have an objection to the release of the Film on 23 October 2026 and to the involvement of PAM and Saregama. It relies on these very circumstances to claim that urgent protection is required under Section 9 of the Arbitration and Conciliation Act, 1996. However, according to Mr. Mohan, the Petitioner's own conduct does not support this claim. He submitted that on several dates in October 2026, from the date of filing the Petition until at least 15 October 2026, Mr. Sarvesh Goel used his own and the Petitioner's Instagram profiles to promote the release of the Film on 23 October 2026, in collaboration with Respondent No. 1. Through these posts, the Petitioner not only approved and accepted the announced release date but publicly encouraged the release. At the same time, it approached this Court claiming that the very same release should not be permitted. The Respondents have placed illustrative material showing these posts and activities in a compilation marked as Exhibit “1”.

8. Mr. Mohan submitted that, on 30 September 2026, the Respondents informed Mr. Sarvesh Goel through WhatsApp, “Sir kal poster drop karenge” (meaning, “Sir, we will drop the poster tomorrow”). They asked him to provide his “insta tag”, meaning

the Instagram handle of the Petitioner which could be tagged in the promotional post. Mr. Sarvesh Goel replied by providing the Instagram handles “Sarvesh.goel” and “and productions”. Thereafter, on 1 October 2026, the announcement post, which the Petitioner has annexed to the Petition as Exhibit K, announced “IN THEATRES 23 OCTOBER 2026”. The post tagged @sarvesh.goel, @andproductions, @saregama_official and @pamstudioofficial. On 5 October 2026, the Petitioner willingly agreed to collaborate in publishing the promotional post on Instagram. Mr. Mohan submitted that the Petitioner had thus actively supported and participated in promoting the release of the Film on 23 October 2026. The post prominently displayed the logos of Saregama and PAM. Their Instagram handles were mentioned in the caption alongside the Petitioner's own handle. According to Mr. Mohan, the above posts and conduct of the Petitioner show that it publicly supported and accepted the very circumstances which it now relies upon to seek relief in the present Petition. These circumstances are: (i) the scheduled release of the Film on 23 October 2026 in collaboration with Respondent No. 1; (ii) the appearance of the logos of Saregama and PAM on the publicity and promotional material relating to the Film; and (iii) the involvement of Saregama and PAM, whose Instagram handles appeared in the promotional posts alongside the handles of the Petitioner, Mr. Sarvesh Goel and Respondent No. 1. Mr. Mohan submitted that the Petitioner cannot now rely upon these very circumstances as grounds for seeking an injunction.

9. Mr. Mohan emphasised that accepting a collaboration request on Instagram is not merely a passive act. According to him, it amounts to actively approving and supporting the post because a person is shown as a "collaborator" only after accepting the request to collaborate on that particular post. He submitted that the Petitioner could not have been shown as a collaborator unless it had actively accepted the collaboration request. In support of this submission, the Respondents have annexed an extract from the Instagram Help Centre, available on the website Instagram.com, which is marked as Exhibit "2". According to Mr. Mohan, this extract explains that collaborative posts on Instagram are co-authored by the persons who collaborate on them.

10. Mr. Mohan submitted that the apprehensions expressed by the Petitioner are misplaced and are based on suspicion rather than any actual event. He made the following statements to clarify the Respondents' position.

(i) The Respondents have not commercially exploited the Film or any rights relating to it by excluding the Petitioner.

(ii) Contrary to the Petitioner's allegation, no agreements have been executed with third parties without making the Petitioner a confirming party.

(iii) The Respondents have no intention of entering into any such agreements by excluding the Petitioner. In support of this statement, Mr. Mohan referred to an email dated 13 October 2026 sent by Respondent No. 1, which states: "I want to be clear that Echelon has not signed any agreement

granting any third party any exploitation rights in the film yet, which will only be done as per the terms of our agreement."

(iv) By the same email, Respondent No. 1 informed the Petitioner about the offers received for the overseas theatrical rights and music rights of the Film so that the Petitioner could consider them. Respondent No. 1 stated that formal agreements should be entered into promptly to obtain the best possible value. It stated that the final drafts would be shared "for your review and signature as a confirming party". According to Mr. Mohan, the Petitioner has not replied to this email.

(v) The Respondents have not received any money from any third party towards the sale or exploitation of any rights in the Film.

(vi) The Respondents have acted in accordance with the Co-Production Agreement and intend to continue complying with its terms.

11. Mr. Mohan submitted that the Petitioner's main argument is that the release of the Film should be restrained because, unless the money earned from its commercial exploitation is secured, the Petitioner's security and lien over the Film may become ineffective. According to the Petitioner, if the Film is released without securing the revenue, it may ultimately be left with only a paper decree, which it may not be able to enforce in practice. Mr. Mohan submitted that this argument does not justify restraining the

release of the Film.

12. Mr. Mohan submitted that the Petitioner's own case shows that releasing the Film would help increase its commercial value and generate revenue. According to him, the Petitioner is seeking to prevent the very activity which could increase the value of the asset that it claims to protect. He pointed out that the Petitioner has stated in the Petition that "the bulk of a film's revenue is realised from the theatrical release." He referred to the Petitioner's email dated 1 October 2026, in which the Petitioner called upon Respondent No. 1 "to ensure that the entire revenues generated from the exploitation rights of the said Film are be paid directly to us for recovery of our Investment Amount".

13. Mr. Mohan submitted that the Respondents were ready to address the Petitioner's concerns and had made the following commitments.

(i) The Respondents have never intended to commercially exploit the Film or its rights by excluding the Petitioner. They undertake not to do so in the future either.

(ii) Every rupee earned from any form of exploitation of the Film can be deposited into an account specified by this Court or by the Petitioner, so that the money can be dealt with in accordance with the Co-Production Agreement.

(iii) The Respondents have not entered into, and will not enter into, any contracts relating to the Film without including the Petitioner as a confirming party required to sign the contracts.

(iv) The Respondents will ensure that the credits given in relation to the Film are in accordance with the Co-Production Agreement.

14. Mr. Mohan submitted that the cheque issued by Respondent No. 1 was only an additional security for a possible future liability. According to him, at that stage, the liability had not been finally determined and the amount payable, if any, had not been calculated. He contended that there was no question of any fixed or admitted amount becoming payable before the Film was commercially exploited and the revenue from it was received. According to him, only after calculating the revenue earned from the Film and comparing it with the investment amount would it be possible to determine whether there was any shortfall and, if so, the amount which remained payable. He submitted that the cheque could not be treated as an acknowledgment of an admitted and payable liability of Rs.7,50,00,000/-.

15. Mr. Mohan submitted that the Petitioner's conduct in accepting and participating in the Instagram collaboration shows that it had consented to the release of the Film. He accepted that, under the Co-Production Agreement, the Film could not be released without the Petitioner's consent. However, according to him, such consent need not be inferred only from a separate written communication. It can be gathered from the conduct of the parties. He relied upon Section 63 of the Indian Contract Act, 1872, to submit that the conduct of a party may be considered while determining whether consent has been given. He contended that, on reading the Co-Production Agreement as a whole, it

becomes clear that the commercial release of the Film is the means by which the investment made by the Petitioner is expected to be recovered.

16. Mr. Mohan invited my attention to the Petitioner's email dated 1 October 2026. According to him, the contents of this email show that the Petitioner understood the consent requirement under the Co-Production Agreement to mean that the amount invested by it would be recovered from the income earned through commercial exploitation of the rights in the Film. He submitted that the Petitioner's own understanding of the Agreement and its conduct do not justify restraining the release of the Film. On this basis, he contended that the Petitioner was not entitled to the interim relief sought in the present Petition. In support of his submissions, Mr. Mohan relied upon the following judgments: *Jagad Bandhu Chatterjee vs. Nilima Rani & Others, 1969 SCC OnLine SC 419; The Godhra Electricity Co. Limited & Another vs. The State of Gujarat & Another, (1975) 1 SCC 199; Chairman, State Bank of India & Another vs. M.J. James, (2022) 2 SCC 301; Brihan Karan Sugar Syndicate Private Limited vs. Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana, (2024) 2 SCC 577; the judgment of the Division Bench of this Court in Minco India Private Limited vs. Minco India Flow Elements Private Limited, Commercial Appeal (L) No. 1600 of 2006, decided on 18 March 2026; and the order dated 28 July 2026 passed by a learned Single Judge of this Court in Interim Application (L) No. 224149 of 2026 in Comm IP Suit (L) No. 24129 of 2026, in the matter of Pushker Sona & Another vs. Swambhu Media Network Private Limited &*

Others.

REASONS AND FINDINGS:

17. I have heard the arguments of Mr. Kamat, learned Senior Advocate for the Petitioner, and Mr. Mohan, learned Advocate for the Respondents.

18. At the beginning, it is necessary to understand what was the agreement between the parties. The Petitioner has not given a loan to Respondent No. 1. Both parties agreed under the Co-Production Agreement to jointly produce the Film. They agreed to have rights in the Film jointly and to use those rights for commercial purposes according to the conditions of the agreement. The total production budget was fixed at Rs.15,00,00,000/-, with applicable GST. Each party agreed to contribute Rs.7,50,00,000/-, with applicable GST. The Petitioner says that it has paid its entire contribution of Rs.8,85,00,000/-. At present, there is no material before me to show that the Petitioner has not paid the amount which it had agreed to pay.

19. It is not correct to consider the Petitioner's rights only as a right to get back the money. The agreement gives it rights in relation to the Film, its commercial exploitation, the way in which agreements with third parties are to be made and the credits which have to be given in the Film and its publicity material. Though all these rights arise from the same agreement, they have to be looked at separately. Even if the money claimed by the Petitioner is secured, that will not bring its other rights under the agreement to an end. The important clause for deciding the present dispute is

Clause 5.3 of the Co-Production Agreement. It reads as follows:

> "It is hereby agreed that Echelon shall ensure that the entire Investment Amount is returned to AMPL on or before expiry of 13 months from the Effective Date or 3 weeks prior to the first release of the Audio Visual Content whichever is earlier."

20. This clause gives the time by which the investment amount has to be returned. The agreement came into effect on 27 March 2024. Thirteen months from that date ended on 27 April 2025. The Film is now proposed to be released on 23 October 2026, and three weeks before that date would be 2 October 2026. The words "whichever is earlier" have an important meaning. They show that the date which comes first is the date which has to be followed. Here, 27 April 2025 came much earlier than 2 October 2026. Therefore, on the plain reading of Clause 5.3, the obligation to return the investment amount had become due on 27 April 2025. The later announcement about the release of the Film cannot extend the time which had expired. The Petitioner's demand referring to 2 October 2026 indicates that the amount had not been returned even before the announced release date.

21. Mr. Mohan submitted that the Petitioner was to recover its investment from the revenue which would come from commercial exploitation of the Film. According to him, no fixed amount was payable until the Film was commercially exploited, revenue was received and the amount which remained unrecovered from that revenue was worked out. This argument has to be considered by reading the whole agreement and not by looking at only one clause. Clause 5.4 deals with the manner in which the revenue and

the expenses of the Film are to be accounted for and recovered. Clause 5.8 deals with situations where production is not completed, the exploitation rights are not commercially used within the prescribed period, or the revenue is not enough to recover the investment amount. These clauses cannot be read by keeping Clause 5.3 aside. Clause 5.3 provides the time for returning the entire investment amount. Clause 5.8 gives protection to the investing party in the situations stated in that clause. If the intention of the parties was that the Petitioner should wait until the Film earns sufficient revenue, without any fixed time for repayment, there was hardly any need to provide thirteen months for returning the investment. If the Respondents' interpretation is accepted, the time limit in Clause 5.3 would have no real meaning. Therefore, I am not able to accept the argument that no repayment liability could arise until the Film was commercially exploited and the final shortfall was calculated. The clauses relating to revenue have to be read together with Clause 5.3. They cannot be read in such a way that the clear obligation to return the investment within the agreed time is taken away.

22. There is material which supports the Petitioner's case that Respondent No. 1 had accepted the obligation to repay the amount. On 1 January 2026, Respondent No. 1, through Respondent No. 2, issued a cheque for Rs.7,50,00,000/-. The cheque was returned unpaid on 2 January 2026. According to the Petitioner, it was dishonoured because payment had been stopped. At this stage, the Respondents have not established that the cheque was issued only as security for an amount which might become

payable at some uncertain future time. Mr. Mohan argued that the cheque was only additional security and that issuing it did not mean that the amount written in it was accepted as payable to the Petitioner. At present, I am unable to accept this explanation as enough to answer the Petitioner's case. The cheque was issued after the period mentioned in Clause 5.3 had expired. The amount of the cheque is equal to the Petitioner's investment contribution, excluding the GST which forms part of its total claim. This circumstance supports the Petitioner's case that the repayment obligation had become due. However, it does not finally decide every part of the liability.

23. It must be made clear that the dishonour of the cheque alone does not finally decide the liability of the parties. The cheque does not establish that Respondent No. 2 is personally liable to repay the investment under the Co-Production Agreement. But when the cheque is considered along with the clear repayment clause, the receipt of the investment amount and the failure to return it, the Petitioner has made out a strong prima facie case for securing the amount in dispute.

24. The next issue is about Clauses 5.1 and 5.2 of the Co-Production Agreement. Clause 5.1 provides that the exploitation rights in the Film have to be dealt with jointly by the parties and that the Petitioner must be made a confirming party to every exploitation arrangement or agreement. Clause 5.2 says that the relevant agreements with third parties are to be entered into by Respondent No. 1, with the Petitioner being made a confirming party. It requires the Petitioner's prior consent before any such

arrangement is agreed upon or entered into. Clause 11.2 puts restrictions on transferring, licensing or assigning rights unless the agreed conditions are followed, including the condition of prior written consent. The purpose behind these clauses is not difficult to understand. The Petitioner had a right to take part in decisions concerning the commercial exploitation of the Film. It was not expected to put in the investment and then remain outside the arrangements through which the Film would earn money. The requirement that the Petitioner should be made a confirming party is a protection given to it under the agreement. It cannot be treated as something which is done only for the sake of formality. The Respondents have stated that they have not entered into any agreement with a third party for exploitation of the Film without making the Petitioner a confirming party. They have relied upon the email dated 13 October 2026, in which they stated that no agreement granting exploitation rights had yet been signed. According to them, the draft agreements would be shared with the Petitioner for its review and signature as a confirming party.

25. This statement of the Respondents has to be considered. On the material available, I am not prepared to give a finding that the Respondents have signed all the third-party agreements alleged by the Petitioner. The mere fact that the logos of PAM Studios and Saregama India Limited appear on a poster does not prove that a binding agreement for exploitation of the Film has been signed. However, offers for overseas theatrical rights and music rights have been received, the release of the Film is proposed and commercial arrangements for the release are approaching. These circumstances

show that commercial exploitation is near. The Petitioner is not required to wait until an agreement contrary to the contract is actually signed and third-party rights are created before it can approach the Court for protection.

26. I now come to the main argument of Mr. Mohan. He submitted that the Petitioner had promoted and supported the release of the Film on Instagram. The Respondents rely upon the WhatsApp communication dated 30 September 2026, the announcement post dated 1 October 2026 and the Petitioner's acceptance of the Instagram collaboration request on 5 October 2026. Their argument is that the Petitioner cannot first publicly support the release and then ask the Court to stop it by an injunction.

27. The material shown by the Respondents indicates that the Petitioner took part in promoting the Film and the announced release date of 23 October 2026 through the Instagram collaboration. The tags of Saregama and PAM were present in the promotional post. This conduct cannot be ignored while deciding whether the Petitioner should get an injunction. The Court cannot look only at what is stated in the Petition and ignore conduct which has a direct connection with those allegations. However, the effect of this conduct has to be understood carefully. The Petitioner seeks protection because its investment has not been returned and its rights under the contract are said to be in danger. Its request for an injunction is not without any condition. It seeks to prevent the release and exploitation of the Film until the investment amount, together with interest, is deposited in Court. For deciding this

request, it is not necessary to hold that the Petitioner was against the release of the Film in every possible situation. There is a difference between agreeing to promote the announcement of a Film and agreeing to give up the contractual right to get back the investment. In the same way, accepting an Instagram collaboration post is not the same thing as giving prior consent to the terms of a commercial exploitation agreement. Both acts are different and their effect may be different.

28. The legal position about waiver has been held by the Supreme Court in *Jagad Bandhu Chatterjee*, paragraph 5. In that case, the Supreme Court considered Section 63 of the Indian Contract Act, 1872, and observed:

> "A waiver is nothing unless it amounts to a release. It signifies nothing more than an intention not to insist upon the right".

29. The Court held that under Section 63, a promisee may give up or reduce the performance of a promise, either wholly or partly, or accept some other form of satisfaction. It is not necessary in every case that there must be an agreement or consideration for such waiver.

30. The principle is that a person can give up a right by his conduct. But the conduct has to be considered in relation to the particular right which is said to have been given up. The question is not only whether the Petitioner did something which is different from what it is saying now. The real question is whether, by doing that act, the Petitioner intended to give up the right which it is now trying to enforce. The Petitioner's participation in the

Instagram collaboration shows that it approved the promotional post and the announced release date. Therefore, it cannot now say that it had no knowledge of the announcement or of the PAM and Saregama logos appearing in that particular post. Nor can it say that it had opposed those features from the very beginning. This conduct is relevant when its request for removal of that particular publicity material is considered. But the post does not show that the Petitioner intended to release Respondent No. 1 from the obligation to return Rs.8,85,00,000/-. It does not show that the Petitioner agreed to allow third-party exploitation agreements to be signed without its consent or without making it a confirming party. Such an intention cannot be assumed merely because the Petitioner helped in promoting the Film. There is no material to show that the Petitioner agreed to change Clause 5.3 or gave up the repayment obligation which had become due.

31. The judgment of the Supreme Court in Godhra Electricity Co. Ltd., is relevant. In paragraphs 11 and 16 to 18, the Supreme Court considered whether the later conduct of the parties could be used to understand the meaning of a written contract. The Court accepted that the conduct of the parties may help in understanding a term which is not clear. At the same time, it made a distinction between using conduct to understand an unclear provision and using conduct to change a provision which is clear. In paragraph 16, the Supreme Court stated:

> "If the meaning of the word or phrase or sentence is clear, extrinsic evidence is not admissible. It is only when there is latent ambiguity that extrinsic evidence in the shape of

interpreting statement in which both parties have concurred should be admissible."

32. This principle applies to the present dispute. The Instagram posts and the later conduct of the parties may help in understanding the extent to which the Petitioner approved the publicity and the proposed release. But Clause 5.3 fixes the time for repayment. Clauses 5.1 and 5.2 state the role of the Petitioner in exploitation arrangements. The Instagram collaboration does not make these clauses unclear. It cannot be used to create a different arrangement under which the Petitioner must wait until revenue is earned or the Respondents can enter into exploitation agreements without involving the Petitioner. The conduct of the parties may help the Court in understanding their agreement. But unless there is sufficient material to show that they intended to change the agreement, such conduct cannot be used to remove an obligation which has been written in it.

33. The Respondents have relied upon the principle of acquiescence. In *M.J. James*, paragraph 39, the Supreme Court held that acquiescence may arise when a person having a right stands by while another person acts against that right, and the conduct of the person having the right shows approval or acceptance. The Court held that acquiescence may be direct, by express approval, or indirect, where the conduct of the person having the right reasonably shows acceptance. In paragraph 40, the Supreme Court held that acquiescence is different from mere delay. It stated that "acquiescence implies active assent". It may prevent a person from later complaining about violation of a right

if that person's conduct amounts to acceptance of the violation.

34. The judgment in *Brihan Karan Sugar Syndicate (P) Ltd,* paragraph 19, recognises that acquiescence may be a defence in a claim concerning infringement of copyright. The Supreme Court observed that acquiescence means conduct which is not consistent with a claim to exclusive rights. It applies to positive acts and not merely to silence or inaction. Mere negligence is not sufficient.

35. These principles support the Respondents' objection to some extent. The Petitioner's conduct was not only silence. It accepted the collaboration request and took part in promoting the Film. This conduct must be given its proper effect. But acquiescence has to be examined with reference to the particular right and the particular act which was accepted. A person may approve a poster or a release announcement without agreeing to give up a separate right to repayment or the right to be made a confirming party to future exploitation agreements. Further, paragraph 41 of *M.J. James* requires the Court to consider whether the other party has suffered prejudice, whether its position has changed and whether third-party rights have been created. In this case, the Respondents say that considerable money, time and effort have been spent in making the Film. I accept that these circumstances are relevant. An order which stops the release, without giving the Respondents an opportunity to secure the Petitioner's claim, may cause serious loss. However, the Respondents have not shown that allowing the Film to be released after securing the Petitioner's claim would cause similar prejudice to them. The relief must be framed after considering the interests of both sides.

36. The principles relating to equitable relief have been considered in *Minco India Private Limited*, paragraphs 19 and 20. The Court referred to the principle that a person seeking an injunction must bring all important facts to the notice of the Court. It reproduced the observation in Dalglish v. Jarvie:

> "It is the duty of a party asking for an injunction to bring under the notice of the Court all facts materials to the determination of his right to that injunction; and it is no excuse for him to say that he was not aware of the importance of any fact which he has omitted to bring forward."

37. The Court discussed the principles which have to be considered while granting an interim injunction. These include whether there is a genuine issue to be decided, which side will face greater inconvenience, whether there is a possibility of harm which cannot be compensated by money, and whether public interest requires protection.

38. These principles require the Court to consider the Petitioner's conduct before granting the relief sought. The Instagram collaboration was an important circumstance. The Petitioner had to explain its conduct while alleging that the release announcement and the presence of PAM and Saregama in the promotional material were against its rights. However, the Petitioner's participation in the promotional collaboration does not remove the repayment obligation which had become due much earlier. It does not prove that the Petitioner agreed to the signing of commercial agreements without its confirmation. I am not convinced that the entire Petition should be rejected only because

the Petitioner took part in promoting the Film. At the same time, this conduct is against granting an unconditional injunction which would stop the release merely because the Petitioner now objects to the announced date or the visible association of PAM and Saregama. The protection must be aimed at the contractual rights which continue to be in danger.

39. Mr. Mohan submitted that the theatrical release would increase the value of the Film and bring revenue from which the Petitioner's investment could be recovered. This is an important argument. The Petitioner has stated that a substantial part of the revenue from a Film is normally earned through theatrical release. If the release is stopped for an unlimited time, the commercial value of the Film, in which both parties claim rights, may be reduced. The Respondents have stated that no third-party exploitation agreement has been signed, no money has been received from any third party, and every rupee earned from the Film can be deposited into an account designated by the Court or the Petitioner. They have stated that they will not enter into any agreement without making the Petitioner a confirming party and that they will ensure that the agreed credits are given.

40. These statements show that the Respondents are ready to take steps to protect the Petitioner's interests. But an assurance that future revenue will be deposited is not the same as securing the investment amount which had to be returned by April 2025. Similarly, a promise to involve the Petitioner in future agreements does not secure the amount covered by the dishonoured cheque. There is no clear material before me to show that the Respondents

are able to return the entire amount if the Film does not earn enough revenue. The accounts and production details sought by the Petitioner have not been fully placed before the Court. The proposed release is approaching. After the Film is released and its rights are commercially used, agreements with distributors and other third parties may be completed. Revenue may be received and spent. If the Petitioner's rights are not protected before these things happen, it may become difficult for it to get effective relief later. The Respondents' proposal to deposit future revenue is a useful safeguard. However, it does not sufficiently protect the investment amount which has become due.

41. In my view, the proper way is not to stop the Film from being released in every situation. Such an order would not consider the money, time and effort spent by the Respondents in producing the Film and the possibility of earning revenue from its release. At the same time, it would not be proper to allow the Film to be released and commercially exploited without securing the Petitioner's investment, when the agreement provides for repayment and the prescribed period has expired. A balance can be maintained by directing the Respondents to deposit the entire investment amount, together with the contractual interest claimed, in Court as security. The money will not be paid to the Petitioner at this stage. It will remain secured until the claims are finally decided in arbitration or orders are passed. Once the security is deposited, the Film may be released, provided the other terms of the Co-Production Agreement and the directions given below are followed. If the Respondents do not provide the security, the

restriction on release will continue. This arrangement protects the Petitioner's claim for money without stopping the Respondents from commercially exploiting the Film. It protects the Petitioner's contractual rights relating to joint exploitation, prior consent, its position as a confirming party and the agreed credits. For these reasons, the balance of convenience is in favour of granting protection subject to conditions.

42. The Petitioner has asked for a direction requiring the Respondents to disclose all agreements and arrangements relating to the Film, including those concerning theatrical distribution, satellite, digital, OTT, music and other exploitation rights. This request deserves to be granted. The Respondents have stated that no binding exploitation agreement has been signed. However, they have admitted that offers for overseas theatrical rights and music rights have been received. The email dated 13 October 2026 refers to these offers and states that draft agreements would be shared with the Petitioner for its review and signature as a confirming party.

43. In these circumstances, disclosure is necessary to know the actual position and to avoid any later dispute about whether an agreement was entered into before or after this order. The disclosure must cover agreements signed, proposed agreements, term sheets, offers, and arrangements which are under consideration. It must include production agreements and details of amounts received or which are to be received. If no agreement has been signed in any particular category, the Respondents must say so in their affidavit. A general statement that no agreements

have been signed will not be sufficient when specific offers and draft agreements are available.

44. The question of producer credits needs to be considered. Under Clauses 8.2 and 8.3 of the Co-Production Agreement, the parties agreed how producer credits should be given and how the logos of the production houses should appear in the publicity material. The agreed credit includes the words “Produced by Echelon & AND Movie Productions”. The Petitioner's case is that the poster does not mention the name of Mr. Pankaj Chauhan in the credits and describes the Petitioner only as an “associate”. The Respondents have stated that they will ensure that the agreed credits are given. This statement is in accordance with the written agreement. The Petitioner's participation in the Instagram collaboration is relevant while considering its objection to that particular publicity material. However, the material before me does not show that the parties had agreed to change Clauses 8.2 and 8.3, or that the Petitioner gave up its right to receive the agreed credits in all future publicity and in the Film. The Respondents must ensure that all publicity material under their control, including posters, trailers, teasers and digital promotional material, contains the credits and logo required under the agreement. Any existing material which does not follow the agreement must be corrected or withdrawn, as may be required. The Respondents cannot treat the Petitioner's participation in the Instagram collaboration as a general permission to ignore the agreed credit provisions in future.

45. The Petitioner's request to restrain the Respondents from selling, transferring, licensing, assigning or otherwise creating third-party rights in the Film requires protection. Clauses 5.1, 5.2 and 11.2 contain clear conditions relating to joint exploitation, prior consent and the Petitioner's right to be made a confirming party. These conditions must continue to be followed even after the investment amount is deposited in Court. The deposit will secure the monetary claim. It will not transfer the ownership or exploitation rights of the Petitioner to Respondent No. 1. The statement of the Respondents that they will not enter into exploitation agreements without making the Petitioner a confirming party must be recorded and followed. In the same way, the information and revenue arising from exploitation of the Film must be dealt with according to the Co-Production Agreement. The Petitioner is entitled to the benefit of the revenue arrangements under the agreement and to receive the information needed to check the amounts received and receivable. The Respondents must maintain proper accounts and provide statements of revenue and expenditure, together with supporting records, as required under the agreement.

46. For these reasons, the Petition deserves to be allowed in substantial part, with suitable conditions to protect the rights of both parties. The following order is passed.

(a) The Petition is allowed in the following terms:

(b) Respondent No. 1 shall deposit in this Court, within three working days from the date of this order, the sum of

Rs.8,85,00,000/-, together with interest at the rate of 15% per annum calculated from the respective dates on which the Petitioner paid the investment amounts, until the date of deposit. The deposit shall be made as security for the Petitioner's claim and shall be without prejudice to the rights and contentions of the parties in arbitration. The amount shall not be released to either party without order of this Court or an appropriate order in the arbitration proceedings;

(c) Until the deposit directed above is made, the Respondents, by themselves or through their partners, servants, agents, associates, affiliates, representatives, distributors, licensees, assigns or any person claiming through them, shall not release, exhibit, distribute, broadcast or otherwise commercially exploit the Film titled “Tu Hai Meri Kiran”, including through theatrical, satellite, digital, OTT, music or any other mode;

(d) Upon making the deposit under clause (b), the Respondents may proceed with the theatrical release of the Film, subject to compliance with the remaining directions in this order and the Co-Production Agreement. Such permission shall not be treated as dispensing with the Petitioner's contractual rights relating to joint exploitation, prior consent or confirming-party status;

(e) Within five working days from the date of this order, the Respondents shall file an affidavit disclosing all agreements, arrangements, offers, term sheets, memoranda

and understandings relating to the Film, including those concerning theatrical distribution, overseas theatrical rights, satellite rights, digital and OTT rights, music rights and all other exploitation rights. Copies of all executed agreements and the available drafts, offers and term sheets shall be annexed to the affidavit. The affidavit shall disclose all production agreements executed in relation to the Film and all amounts received or receivable under each arrangement. Where no agreement has been executed in a particular category, the Respondents shall state so on affidavit;

(f) The Respondents shall not enter into any agreement for the distribution, exhibition, licensing, transfer, assignment or commercial exploitation of the Film without complying with Clauses 5.1 and 5.2 and the applicable provisions of Clause 11.2 of the Co-Production Agreement. The Petitioner shall be made a confirming party to every such agreement, and the prior consent required under the Agreement shall be obtained. The Respondents shall not create any third-party right in a manner contrary to these provisions;

(g) The Respondents shall ensure that all revenue generated from the commercial exploitation of the Film is received and accounted for in a separate designated account. The account details shall be disclosed to the Petitioner and placed on record by affidavit within three working days. The revenue shall be dealt with in accordance with the Co-Production Agreement, and no amount shall be diverted or

withdrawn in a manner contrary to its terms. The Respondents shall provide the Petitioner with regular statements of receipts, expenditure and amounts payable, together with supporting records, as required under the Agreement;

(h) Within forty-eight hours from the date of this order, the Respondents shall ensure that publicity material under their control, including posters, trailers, teasers and digital promotional material, carries the credits and logo required by Clauses 8.2 and 8.3 of the Co-Production Agreement. Existing material which does not comply shall be corrected or withdrawn, as necessary. The Respondents shall not issue publicity material in breach of the agreed credits;

(i) Respondent No. 2 shall not, either directly or through any person acting on his behalf, assist in or permit any act contrary to the directions contained in this order. However, in the absence of material establishing an independent personal guarantee or other separate basis of personal repayment liability, no separate direction is passed at this stage requiring Respondent No. 2 personally to deposit the investment amount;

(j) The findings recorded in this order are for deciding the present Petition for interim measures. They shall not be treated as a final decision on the claims or defences of either party in arbitration. All questions concerning final liability, accounts, interest and the parties' rights in the Film are left

open for determination in the appropriate proceedings;

(k) There shall be no order as to costs.

47. At this stage, learned Advocate for the Respondents seeks stay of the Judgment. However, considering the reasons recorded in the Judgment, the request for stay is rejected.

(AMIT BORKAR, J.)