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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Date of Decision : 26.09.2025

(44)

+ **CS(COMM) 746/2025 & I.A. 17727/2025**

PEOPLE MEDIA FACTORY PRIVATE LIMITEDPlaintiff

Through: Mr. Amit Sibal, Senior Advocate with
Mr. Rashmin Khandekar, Mr. Arpit
Choudhary, Mr. Rahul Mehta, Mr.
Krunal Mehta, Mr. Deepank Singh,
Ms. Karen Koya, Ms. Suditi Batra
and Ms. Sejjal Malik, Advocates.

versus

IVY ENTERTAINMENT PRIVATE LIMITEDDefendant

Through: Mr. Darpan Wadhwa, Senior
Advocate with Mr. Dhiraj Mhetre,
Mr. Vikram Bajaj, Mr. Sanampreet
Singh, Ms. Shivani Sharma and Mr.
Suraj Dhawan, Advocates.

(45)

+ **CS(COMM) 782/2025, I.A. 18515/2025 & I.A. 18517/2025**

IVY ENTERTAINMENT PRIVATE LIMITEDPlaintiff

Through: Mr. Darpan Wadhwa, Senior
Advocate with Mr. Dhiraj Mhetre,
Mr. Vikram Bajaj, Mr. Sanampreet
Singh, Ms. Shivani Sharma and Mr.
Suraj Dhawan, Advocates.

versus

PEOPLE MEDIA FACTORY PRIVATE LIMITED

& ORS.Defendants

Through: Mr. Amit Sibal, Senior Advocate with
Mr. Rashmin Khandekar, Mr. Arpit
Choudhary, Mr. Rahul Mehta, Mr.



Krunal Mehta, Mr. Deepank Singhal,
Ms. Karen Koya, Ms. Suditi Batra
and Ms. Sejjal Malik, Advocates.

CORAM:
HON'BLE MR. JUSTICE TEJAS KARIA

TEJAS KARIA, J. (ORAL)

INTRODUCTION:

1. The present matters being CS(COMM) 746/2025 and CS(COMM) 782/2025 (“**Suits**”) have been filed by People Media Factory Private Limited (“**PMF**”) and IVY Entertainment Private Limited (“**IVY**”), respectively in connection with Copyright and allied Intellectual Property Rights in a Telugu language pan India cinematograph film titled ‘The Raja Saab’ (“**Film**”).
2. PMF, the Plaintiff in CS(COMM) 746/2025 and Defendant No. 1 in CS(COMM) 782/2025, is engaged in the business of production of cinematographic films and IVY, the Defendant in CS(COMM) 746/2025 and the Plaintiff in CS(COMM) 782/2025 is engaged in the business of acquisition and syndication of rights in Cinematographic films.

FACTUAL BACKGROUND:

3. On 09.12.2022, PMF and IVY entered into a binding Term Sheet (“**Term Sheet**”) recording the commercial terms for monetization of the Film. With respect to the rights in the Film, PMF and IVY entered into Film Rights Assignment Agreement dated 25.01.2023 (“**FRAA**”) Amendment to FRAA dated 17.02.2023 (“**FRAA Amendment**”) and Theatrical Rights Acquisition Agreement dated 10.03.2023 (“**TRAA**”), determining the rights



and obligations of PMF and IVY with respect to the Film.

4. As IVY had apprehensions regarding the stage of production and recurring delays in the theatrical release of the Film, PMF sought to revise the theatrical release date of the Film to September 2025, however, the proposed agreement to revise the delayed theatrical release of the Film was never finalised by the Parties.

5. PMF sent a letter dated 25.06.2025 to IVY stating that IVY failed to exploit the non-theatrical rights of the Film. Thereafter, IVY sought to terminate the FRAA and the TRAA vide Termination Notice dated 25.06.2025 (“**Termination Notice**”).

6. By way of the Termination Notice, the IVY sought for a refund of the entire amount disbursed by it under the TRAA and FRAA together with interest at the rate of 18% and contended that consequent to the termination, all theatrical / non-theatrical rights assigned to PMF stood automatically reverted to IVY, and until the said refund was / is paid by PMF, all rights, title and interest created in its favour under the TRAA in respect of the Film stood automatically transferred and vested in the IVY. In addition, PMF was also under an obligation to unconditionally hand over to IVY, all materials, tools, contracts, documents, licenses / permits and the like, equipment, assets etc. relating to the Film, without any delay or demur of any nature whatsoever.

7. PMF aggrieved by the Termination Notice filed CS(COMM) 746/2025 seeking a declaration that the Termination Notice is null, void and inoperative and restraining IVY from exploiting the rights in the Film or hindering PMF from exploiting their rights in the Film. IVY filed



CS(COMM) 782/2025, to protect their Intellectual Property Rights with respect to the Film.

PROCEDURAL HISTORY:

8. Notice in CS(COMM) 746/2025 was issued *vide* order dated 25.07.2025 and Notice in CS(COMM) 782/2025 was issued *vide* order dated 01.08.2025.

9. On 11.08.2025, the learned Senior Counsel for the PMF had submitted a proposal whereby the PMF had undertaken to deposit a certain amount before this Court in accordance with terms mentioned in the proposal, the learned Senior Counsel for IVY took time to obtain instructions regarding the proposal and it was submitted by the Parties that if required, the Parties will meet and try to resolve the terms of the Working Proposal. However, the Parties could not arrive at any Settlement.

10. The Interim Relief Applications filed in the Suits were taken up for hearing on various dates. On 04.09.2025, the arguments of the learned Senior Counsel for the PMF were heard and concluded on 09.09.2025. On 17.09.2025, the learned Senior Counsel for IVY commenced the arguments and the matter was listed on 22.09.2025 for further arguments.

SETTLEMENT TERMS:

11. During the course of submissions by both Parties, it was emphasized that it would be in the interest of both Parties that a workable solution can be arrived at between the Parties so that the Film can be released in time-bound manner, while reserving the rights and contentions of both the Parties, in the meanwhile.

12. Accordingly, the Parties exchanged the proposal on 22.09.2025,



24.09.2025 and 25.09.2025 and finally arrived at the settlement terms on 26.09.2025 in form of Consent Minutes (“**Consent Minutes**”).

13. The learned Senior Counsel for the Parties submit that the Consent Minutes entered between the Parties may be taken on record and appropriate directions may be passed in terms of the Consent Minutes. The Consent Minutes records that:

“Consent Minutes:

The parties to C.S. (Comm.) No. 746 of 2025 and C.S. (Comm.) No. 782 of 2025, have, by mutual consent, agreed to the following interim arrangement in relation to the FRAA and TRAA:

- a. *PMF undertakes to release the film “The Raja Saab” (“**Film**”) on or before January 09, 2026 (“**Release Date**”), however the Film shall be released no later than 31st January 2026. It is agreed that the Film shall not be released until the entire payments, as described below, are made by PMF to IVY.*
- b. *PMF undertakes to pay an amount of INR 100,00,00,000/- (Indian Rupees One Hundred Crores only) to IVY, towards the principal amount of INR 2,18,00,00,000/- (Indian Rupees Two Hundred and Eighteen Crores) (“**Principal Amount**”), within one week from the date of the Consent Minutes, i.e., on or before October 03, 2025.*
- c. *PMF undertakes to pay the balance principal amount of INR 98,25,00,000/- (Indian Rupees Ninety-Eight Crores and Twenty-Five Lacs only) to IVY on or before November 30, 2025, after adjusting the amount of INR 19,75,00,000/- (Indian Rupees Nineteen Crores and Seventy-Five Lacs only) (“**Amounts Received**”) already received by IVY till date.*
- d. *PMF undertakes to pay interest amount of Rs. 77,09,00,000/- (calculated at the rate of 18% per annum until the effective date of termination, i.e., July 24, 2025), to IVY, on or before November 30, 2025.*
- e. *PMF undertakes to deposit the interest on the Principal Amount to be calculated at the rate of 18% per annum from July 25, 2025, till*



November 30, 2025, or actual date of payment as mentioned above in (b) and (c), whichever is earlier, by November 30, 2025, in the Delhi High Court. This deposit by PMF shall be subject to final adjudication of the Arbitration proceedings and shall be kept in an interest-bearing account, during the pendency of arbitration proceedings.

- f. *It is IVY's contention that the Amounts Received ought to be adjusted against the interest amount and not against the Principal Amount. PMF has disputed this contention and contends that the Amounts Received ought to be adjusted against the Principal Amount and not against the interest. Without prejudice to clauses (b) to (e) above, this controversy of computation of interest and the impact thereof, is kept open for determination before the Arbitral Tribunal.*
- g. *It is agreed that failure by PMF to make the above payments on the timelines stated above, would make PMF liable to pay penal interest at the rate of 24% calculated on the any outstanding amounts due and payable under these Consent Minutes from the date of payment stipulated above, till the actual date of payment to IVY. It is further agreed that failure of PMF to release the Film within the agreed date under the present Consent Minutes, IVY may, at its sole discretion, apply before the Arbitral Tribunal for appropriate reliefs as per the terms of the FRAA.*
- h. *PMF shall provide IVY with Co-Producer & Co-Presenter credits in the Film, in the names of Ishan Saksena & IVY respectively, in – (i) the beginning/opening credits of the Film in a single slate appearing before the PMF's credits, across all modes, media and formats; and (ii) marketing, publicity and promotional materials, in each case appearing before the PMF's credits, across all modes, media and formats.*
- i. *PMF shall be solely entitled to enter into all exploitation agreements to exploit the theatrical and non-theatrical rights of the Film or any part thereof (including right to dub and/or subtitle in all languages of the world) throughout the territory of entire world and for perpetuity. PMF shall, however, provide copies of the exploitation agreements entered into by PMF, to IVY within seven (7) days from the date of such execution. IVY undertakes that it will not enter into*



any exploitation agreement with any third party in relation to the Film or create any encumbrance on any exploitation rights of the Film, during the pendency of arbitration proceedings.

- j. IVY represents and warrants that it has till date executed only two agreements with third parties for exploitation of rights of the Film (i.e., with Super Cassettes Industries Private Limited (T Series) and V2IT Solutions FZ LLE) and IVY further undertakes to unconditionally novate the aforesaid agreements of Super Cassettes Industries Private Limited (T Series) and V2IT Solutions FZ LLE, in favour of PMF, whereby IVY shall no longer be party to such agreements, within a period of 7 (seven) days from the date of payment of first tranche of INR 100 crores on October 03, 2025; and IVY further agrees and confirms that all balance amounts to be received under the aforesaid agreements of Super Cassettes Industries Private Limited (T Series) and V2IT Solutions FZ LLE shall be directly received by PMF in its Designated Account, and duly accounted for by PMF, at their own cost which will be subject to audit as per the present Consent Minutes. Within three (3) working days of the present Consent Minutes, IVY undertakes to inform Super Cassettes Industries Private Limited (T Series) and V2IT Solutions FZ LLE about the present Consent Minutes with a request to not make any payments to IVY under the Film License Agreement dated April 25, 2025, and Assignment Agreement dated February 27, 2025.*
- k. IVY undertakes to unconditionally withdraw all take-over notices issued by IVY to third parties, within a period of 3 (three) days from the date of this present Consent Minutes.*
- l. PMF undertakes that it shall not grant any Derivative Rights of the Film (as defined in the FRAA), to any third party and shall not dilute them in any manner whatsoever during the pendency of the Arbitration proceedings.*
- m. All rights and contentions of both the Parties are kept open in the arbitral proceedings including in respect of breach of the terms of this Consent Minutes and for any claim that IVY may have in respect of their share of revenues from the second and/or subsequent licensing period under clause (v) of the amended Schedule C to the*



FRAA, and the same shall be adjudicated in the Arbitration proceedings.

- n. It is clarified that failure of PMF to exploit the Film will not have any bearing on the stipulated timelines for payment by PMF to IVY and on the release date as per the clauses (a) to (e) above.*
- o. PMF shall be entitled to receive and utilize all revenues received by PMF from the exploitation of the Film; and IVY shall not have any lien or charge on these revenues.*
- p. PMF shall maintain accounts of all revenues/ monies received by PMF in a separate bank account to be opened by PMF in its own name ("**Designated Account**"), the details of which are to be provided by PMF to IVY within a period of thirty (30) days from the date of the present Consent Minutes. PMF undertakes to receive all revenues/monies from exploitation of the Film only in the aforesaid Designated Account. Further, PMF shall share (i) a bank statement of the Designated Account on 31st December 2025; and (ii) a CA certified statement of all revenues of the Film received by PMF till 31st March 2026, which shall be further subject to an audit by an audit firm appointed by IVY and shall be carried out in the manner as under by giving 7 days prior written notice:*
 - i. First audit shall be conducted between March 31, 2026, and 15th April 2026;*
 - ii. Next audit will happen at any time between April 01, 2026, and March 31, 2027; and*
 - iii. All subsequent audits shall be conducted on a yearly basis.*
- q. Cost of the audit firm will be paid by IVY. Further, PMF agrees that PMF shall provide bank statement of such Designated Account to IVY, on a half-yearly basis starting from 01st October 2026 till the adjudication of the arbitration proceedings. IVY undertakes to keep all the statements and such certificates strictly confidential and shall not share with any third party, unless otherwise required for enforcement of their rights under the terms of the FRAA or TRAA.*
- r. Parties to the present two Suits have agreed to refer all their disputes relating to FRAA (read with amendment dated February*



17, 2023) and Theatrical Rights Acquisition Agreement dated March 10, 2023, to arbitration, including the subject matter of the present Suits. Parties are at liberty to file application(s) as they deem appropriate for any interim/ad-interim reliefs (if any) to be sought in the arbitration proceedings.

- s. *This order is passed under the Interim Application Nos. 17727 and 18515 of 2025. The above Suits stand transferred to the Arbitral Tribunal in terms of the Arbitration Agreement dated September 26, 2025. The parties agree that the present Suits shall be converted into their pleadings of the arbitration. Parties agree that the present order is passed as an interim arrangement and is subject to final disposal of the arbitral proceedings between the parties. Parties to get refund of court fees.*
- t. *It is agreed that all payments to be made by PMF to IVY under this Consent Minutes shall be subject to deduction of applicable TDS u/s 194(A) of the Income Tax Act, 1961 and shall also be subject to GST, if applicable. PMF shall duly deduct and deposit TDS in accordance with law and provide IVY with the corresponding TDS certificates (Form 16A or equivalent) within the prescribed statutory timelines. In case PMF pays the aforementioned amounts as mentioned in clauses (b) and (c) above to IVY without GST, then whether IVY is entitled to claim GST amount from PMF, shall be decided in arbitration at the time of final award by the Arbitral Tribunal.*

Date: 26.09.2025

Place: New Delhi”

14. PMF and IVY have, by mutual consent, agreed to refer the present Suits to Arbitration and have entered into an Arbitration Agreement dated 26.09.2025 (“**Arbitration Agreement**”) in this regard in accordance with Section 7 of the Arbitration and Conciliation Act, 1996 (“**Arbitration Act**”). The Arbitration Agreement is annexed as **Schedule A** to the present Order.

**CONCLUSION:**

15. In view of the Consent Minutes and Arbitration Agreement, it is directed that:

- i. The Parties shall be bound by the Terms of the Consent Minutes as entered into between them.
- ii. The Parties are referred to Arbitration in accordance with the Arbitration Agreement under Section 8 of the Arbitration Act before the learned Sole Arbitrator agreed between the Parties (“**Tribunal**”).
- iii. PMF and IVY are directed to appear before the learned Tribunal in accordance with the Arbitration Agreement for adjudication of the disputes in accordance with FRAA, FRAA Amendment, TRAA and Consent Minutes.
- iv. All the rights, claims and contentions between PMF and IVY are left open to be adjudicated by the learned Tribunal on merits, in accordance with the applicable law.
- v. The Suits and all pending Applications stand disposed of.

16. This Court records the appreciation for the efforts of the learned Senior Counsel and Counsel for the Parties to arrive at a workable solution in the interest of both the Parties and referring the dispute to Arbitration for expeditious adjudication.

17. In view of the fact that the matter has been settled at an early stage, the Registry is directed to issue a certificate of refund of 100% of the Court Fees in favour of respective Plaintiffs in the Suits, in terms of Section 16 of the Court Fees Act, 1870.

TEJAS KARIA, J

SEPTEMBER 26, 2025/ *ap*



SCHEDULE-A

ARBITRATION AGREEMENT

This Arbitration Agreement (“**Agreement**”) is made and entered into at New Delhi on this 26th day of September 2025 by and between:

People Media Factory Private Limited, a company incorporated under the Companies Act, 2013, having its registered office at 8-2-293/82/L/303-A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad, Telangana – 500034, represented by its authorized signatory, hereinafter referred to as “**PMF**” or the “**First Party**”;

AND

IVY Entertainment Private Limited, a company incorporated under the Companies Act, 2013, having its registered office at 107A, First Floor, 98 Hemkunt Tower, Nehru Place, Delhi-110019, represented by its authorized signatory, hereinafter referred to as “**IVY**” or the “**Second Party**”;

AND

Mr. Vishwa Prasad Tumbalam Gooty, having his address at 8-2-293/82/L/303-A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad, Telangana – 500034, hereinafter referred to as “**Third Party**”.

PMF and IVY shall hereinafter be collectively referred to as the “**Parties**” and individually as a “**Party**” as the context may require.

WHEREAS:

- The Parties had entered into a Film Rights Acquisition Agreement dated January 25, 2023 (“**FRAA**”), Amendment to FRAA dated February 17, 2023 (“**FRAA Amendment**”), and Theatrical Rights Acquisition Agreement dated March 10, 2023 (“**TRAA**”) (collectively referred to as the “**Agreements**”) for acquisition of rights in the cinematograph film titled “**The Raja Saab**” (formerly titled as *Project Prabhas*) (“**Film**”).
- Under the terms of the FRAA, IVY invested an amount of INR 218,00,00,000/- (Indian Rupees Two Hundred and Eighteen Crores) with applicable GST (less TDS) for the acquisition of the rights in the Film as mentioned in the Agreements.
- Thereafter, disputes arose between the Parties on account of alleged breaches of the FRAA and TRAA committed by PMF, pursuant to which, IVY issued a Termination

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Notice dated June 25, 2025 (“**Termination Notice**”), terminating the Agreements, which PMF disputed as being illegal and invalid.

- d. Consequently, PMF filed a civil suit bearing C.S. (Comm.) No. 746 of 2025 (“**PMF Suit**”) before the Hon’ble High Court of Delhi and IVY filed a civil suit bearing C.S. (Comm.) No. 782 of 2025 (“**IVY Suit**”) for the disputes between the Parties.
- e. During the course of hearing of the Interim Applications bearing Nos. 17727 and 18515 of 2025, before the Hon’ble High Court of Delhi on September 24, 2025, the Parties hereto agreed to a consent order dated September 25, 2025 (“**Consent Order**”) and to refer all their disputes, differences, and claims to arbitration.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Any and all disputes or differences that have arisen under, out of, in connection with or in relation to the rights granted to the parties under Film Rights Acquisition Agreement dated January 25, 2023 (read with the amendment thereto), and Theatrical Rights Acquisition Agreement dated March 10, 2023, or termination thereof, shall be referred to arbitration before Mr. Justice (Retd.) S. C. Gupte, jointly appointed by the Parties hereto as a sole arbitrator, upon execution of this Agreement.
2. The seat of arbitration shall be New Delhi, and the venue of the arbitration (for convenience) shall be in Mumbai.
3. The language of the arbitration shall be English, and the law applicable to the arbitration shall be Indian law.
4. The arbitration process will be in accordance with the provisions of the Arbitration & Conciliation Act 1996, as amended from time to time.
5. The award passed by the Arbitral Tribunal shall be binding on all parties. The Parties agree to bear the cost of arbitration equally.
6. The Parties agree to maintain the confidentiality of the arbitration proceedings and the award, except as may be required by law or for the purpose of enforcement of the award.

IN WITNESS WHEREOF, the Parties hereto have executed the present Agreement on the day, month, and year first above written.

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2025:DHC:8796



1. **People Media Factory Private Limited**

Through: TUMBALAM
GOOTY VISHWA PRASAD
PRASAD

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Designation: Authorized Signatory

2. **For IVY Entertainment Private Limited**

Through:  (VIPUL JAIN)

Designation: Authorized Signatory

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GOOTY VISHWA
PRASAD

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PRASAD
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3. **Mr. Vishwa Prasad Tumbalam Gooty**