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Arb. Appln. No.266 of 2023
and
O.A. No.445 of 2023

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M. Prakash	...	Applicant
	versus	
C.P. Anbunathan	...	Respondent

Arbitration Application No.266 of 2023 has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking for a direction to the respondent to furnish security to the extent of the claim amount failing which to grant an order of attachment of the property morefully described in the schedule to the Judges Summons.

2. The claim arises out of a Loan Agreement, dated 24.12.2019. The terms and conditions of the Loan Agreement are disputed by the respondent as seen from the counter affidavit, particularly with regard to the jurisdiction. The respondent contends that the applicant has himself admitted in his notice sent to the respondent that Karur Courts alone will have the jurisdiction and not Chennai Courts as mentioned in the Agreement, dated 24.12.2019, which is placed on record by the applicant before this Court. The respondent has also raised various other



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contentions in his counter affidavit for the purpose of rejecting the claim of the applicant. The said contentions are recorded by this Court. However, the contentions of the respondent in his counter affidavit has been disputed by the applicant as seen from the submission made by the learned counsel for the applicant.

3. The learned counsel for the respondent would submit on instructions that the respondent is prepared to give an undertaking that he shall not alienate or encumber the properties morefully described in the schedule to the Judges summons. The said undertaking is recorded by this Court. The learned counsel for the applicant is also agreeable if the undertaking is recorded and the parties are directed to go for arbitration.

4. After recording the contentions raised by the respondent in his counter affidavit filed before this Court in O.A. No.445 of 2023 and in terms of the undertaking given by the respondent as stated supra, this Court issues the following directions :

a) the respondent shall not alienate / encumber the properties morefully described in the schedule to the Judges Summons till the disposal of the arbitral proceedings based upon the arbitration clause contained in the Loan Agreement dated 24.12.2019.



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b) the objections raised by the respondent in his counter affidavit filed before this Court in O.A. No.445 of 2023 and it is recorded by this Court and it is for the Arbitral Tribunal to consider the same on merits and in accordance with law as and when any application is filed by the applicant under Section 17 of the Arbitration and Conciliation Act, 1996 seeking for interim reliefs.

5. In terms of the above directions, Arb. Appln. No.266 of 2023 and O.A. No.445 of 2023 applications are disposed of.

6. The above directions are issued based on the consent given by both the learned counsels on instructions from their respective clients.

28.07.2023

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ABDUL QUDDHOSE, J.

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