IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03.06.2025

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THE HONOURABLE MR JUSTICE ABDUL QUDDHOSE

Arb.Appln. No.605 of 2025

M/s.Cholamandalam Investment and
Finance Company Limited,
rep. by its Authorised Signatory .. Applicant

vs

M/s.CSR Groups and others .. Respondents

ORDER

Notices sent to the second and third respondents have been duly served. The delivery reports filed along with the affidavit of service confirm the same. The names of the second and third respondents are also printed in the cause list today. No one has entered appearance on behalf of R2 and R3. Hence, R2 and R3 are set exparte by this Court.

2.The fourth respondent has also been duly served. The acknowledgment card is also enclosed along with the affidavit of service. The name of the fourth respondent is also printed in the cause list today. Despite receipt of the notice, the fourth respondent has chosen not to enter appearance. Hence, the fourth respondent is also set ex parte by this Court.

3.Notice sent to the first respondent has been returned unserved. The returned cover has been filed along with the affidavit of service. The first respondent is M/s.CSR Groups, which is represented by its proprietor Mr.C.Srinivasalu Reddy, who is none else the second respondent. Since the second respondent has received notice in this application, M/s.CSR Groups, which is represented by its proprietor Mr.C.Srinivasalu Reddy, the second respondent, the first respondent has also got to be set exparte by this Court. Accordingly, the first respondent is also set exparte by this Court.

4.This application has been filed seeking for a prohibitory order to restrain the garnishee, namely, the fourth respondent, from making any payment to the respondents 1 to 3 to the extent of the claim amount of Rs.1,07,28,848/-.

5.The fourth respondent is a tenant under the respondents 1 to 3. The property which has been mortgaged by the respondents 1 to 3 with the applicant has been let out by the respondents 1 to 3 to the fourth respondent. The rents are payable by the fourth respondent to the respondents 1 to 3. The respondents 1 to 3 are defaulters in repayment of the loan to the applicant under the Loan Agreement dated 31.01.2023. Documents have been filed along with this application, which includes the Loan Agreement dated 31.01.2023, repayment schedule, notice issued to the garnishee dated 01.01.2025, notice dated 02.01.2025 issued to the respondents 1 to 3 as well as the Accounts statement, which confirm that the respondents 1 to 3 are defaulters in repayment of the loan to the applicant.

6.As seen from the statement of account dated 09.04.2025 filed along with this application, a sum of Rs.1,07,28,848/- is due and payable by the respondents 1 to 3 to the applicant. The loan granted to the respondents 1 to 3 is a term loan though the loan granted to the respondents 1 to 3 is secured by a mortgage. The applicant has expressed its difficulty in recovering the loan immediately as they have to initiate SARFAESI proceedings, which they will be doing in due course. Only under those circumstances, this application has been filed seeking for a prohibitory order as prayed for in this application.

7.This Court, after giving due consideration to the contents of the affidavit filed in support of this application as well as the documents filed along with this application, is of the considered view that a prima facie case has been made out by the applicant for the grant of a prohibitory order as

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prayed for in this application. The balance of convenience and irreparable hardship have also been established by the applicant.

8.Accordingly, this application is disposed of by granting a prohibitory order restraining the fourth respondent from making any payment to the extent of the claim amount of Rs.1,07,28,848/- to the respondents 1 to 3 until further orders from this Court and the fourth respondent is also directed to deposit any sum of money payable to the respondents 1 to 3 as and when they become due and payable to the credit of this application.

03.06.2025

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