



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21.04.2025

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THE HONOURABLE MR JUSTICE ABDUL QUDDHOSE

O.A. Nos.392 & 393 of 2025

J.Sekar

.. Applicant

VS

AVR Properties and Developers
Private Limited and others

.. Respondents

COMMON ORDER

Learned counsel for the applicant in O.A. No.392 of 2025 seeks permission of this Court to withdraw O.A. No.392 of 2025. He has also made an endorsement to that effect in the court bundle. Accordingly, O.A. No.392 of 2025 is dismissed as withdrawn.

O.A. No.393 of 2025 has been filed under Section 9 of the Arbitration and Conciliation Act, seeking for an order of interim injunction to restrain the third respondent from disbursing any compensation amount to the respondents 1 and 2, which is due and payable to the respondents 1 and 2 on account of the acquisition of land, which is the subject matter of the



agreement of sale entered into between the applicant and the respondents.

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2.The applicant had entered into an agreement of sale dated 02.08.2014 with the respondents 1 and 2. The applicant claims that he has not committed any breach of the agreement of sale dated 02.08.2014 and that he was always ready and willing to perform his part of the contract. According to the applicant, it is only the respondents 1 and 2, who have committed breach of the agreement of sale dated 02.08.2014. Under the agreement of sale dated 02.08.2014, the applicant had agreed to purchase the property, morefully described in the schedule to the said agreement from the respondents 1 and 2 for a total sale consideration of Rs.33 crores. The applicant claims that he has paid a part of sale consideration amounting Rs.11 crores to the respondents 1 and 2. According to the applicant, the respondents 1 and 2 have not come forward to receive the balance sale consideration and execute the sale deed in favour of the applicant. According to the applicant, the respondents have arbitrarily, without putting the applicant on notice, cancelled the power of attorney granted in favour of the applicant. After the cancellation of power of attorney, dated 01.03.2025, the property, which was agreed to be sold by the respondents, has now been acquired by the third respondent (SIPCOT). According to the applicant, he



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has intimated the respondents 1 and 2 as well as the third respondent about the fact that he has already paid an advance amount of Rs.11 crores towards purchase of the said property. The applicant has also informed the third respondent that compensation amount cannot be disbursed to the respondents 1 and 2 since the applicant's interest will have to be protected as he has paid a sum of Rs.11 crores as a part payment of the sale consideration to the respondents 1 and 2.

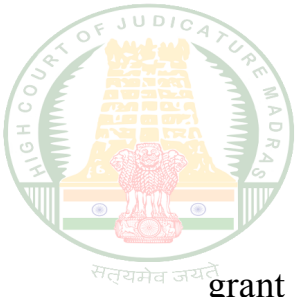
3.Learned Senior Counsel appearing for the applicant drew the attention of this Court to the notices sent by the applicant to the respondents 1 and 2 as well as the third respondent separately. He also drew the attention of this Court to the agreement of sale dated 02.08.2014 as well as the bank statement of the applicant to prove that the applicant has paid the part of sale consideration of Rs.11 crores to the respondents 1 and 2 for purchase of the property, which is the subject matter of the agreement of sale dated 02.08.2014. Learned Senior Counsel for the applicant would submit that since the property has been acquired by the third respondent/SIPCOT, in all likelihood, they may pay the compensation amount directly to the respondents 1 and 2 (land owners) in which event the applicant will be put to irreparable loss and hardship and the applicant will not have any security



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to recover his dues. Under the aforementioned circumstances, this application has been filed seeking for an order of interim injunction to restrain the third respondent (SIPCOT) from disbursing any compensation amount to the respondents 1 and 2, pending disposal of these applications.

4. Before this Court, the applicant has produced documents in the form of agreement of sale dated 02.08.2014 as well as the bank statement to establish that the applicant has paid the part of sale consideration of Rs.11 crores to the respondents 1 and 2 towards purchase of the property, which is the subject matter of the agreement of sale dated 02.08.2014. Admittedly, the property, which was agreed to be purchased by the applicant, has been acquired by the third respondent (SIPCOT). Once the property is acquired, the compensation amount is payable to the land owners i.e. the respondents 1 and 2. Since the applicant had already paid a sum of Rs.11 crores as part of sale consideration for purchase of the property to the respondents 1 and 2, the applicant's right has to be protected. The compensation amount payable to the land owners i.e. the respondents 1 and 2 if allowed to be paid to them, the applicant will lose the security to recover his dues from the respondents 1 and 2.



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5. Since a prima facie case has been made out by the applicant for the grant of interim injunction as prayed for in O.A. No.393 of 2025 and balance of convenience and irreparable hardship have also been established, this Court is inclined to grant an order of interim injunction as prayed for in O.A. No.393 of 2025. Accordingly, an order of interim injunction is granted as prayed for in O.A. No.393 of 2025.

Notice to the respondents returnable by 10.06.2025. Private notice is also permitted. Post the matter on 10.06.2025.

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ABDUL QUDDHOSE,J.

vga

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