

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-09-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

OA No. 590 of 2025

AND

Arb Appln NO. 750 OF 2025

1. Prabhakar Raghavendra
S/o.R.Raghavendra Rao,
Villa F4 V 9, Jumeirah Park
Dubai Represented by Power
Agent Mr.P.Krishnakumar,
S/o.Padmanabhan, B 701, Sainath
Park, AP Road, Mulund East,
Mumbai 400 081.

Applicant(s)

Vs

1. P Rajasekaran
S/o.Ponnusamy, Residing at 142,
Salem Road, Namakkal 638 001
and also at 692/D, Salem Road, B
Anbu Nagar Extension, Kaveri
Nagar, Namakkal town 637 001
and also at 5/434, Ponnusamy
Complex, Mullai Nagar, Mohanur
Road, Namakkal 637 002.

2.A Mohanapriya
104 A 36 2 Rajakaadu 1st Street
Erode 638001 Tamil Nadu

3.V Govindaraj
104 A 36 2 Rajakaadu 1st Street
Erode 638001 Tamil Nadu



OA No. 590 of 2025



Respondent(s)

Arb Appln No. 750 of 2025

1. Prabhakar Raghavendra
Villa F4 V9 Jumeirah Park Dubai

Appellant(s)

Vs

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Respondent(s)

OA No. 590 of 2025

PRAYER

Interim Injunction restraining the 1st Respondent not to alienate the schedule mentioned property in Judges Summons to any third party by way of lease or leave and license.

Arb Appln No. 750 of 2025

PRAYER

That the 1st Respondent may be directed to furnish security to the tune of Rs 106745785.71 failing which to disclose the asset statement of the 1st Respondent

OA No. 590 of 2025

For Applicant(s): M/s.Rajmakesh
Sudharsanam



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OA No. 590 of 2025



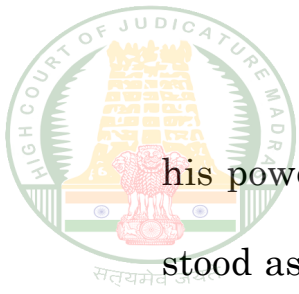
For
Respondent(s):

M/s.P.V.Balasubramanian
Senior counsel for
Mr.Nithyavendhan.K

ORDER

These applications have been filed for an interim injunction restraining the 1st respondent not to alienate the schedule mentioned property in the judges summons to any third party by way of lease or leave and license. The other relief sought for is for a direction to the 1st respondent to furnish security for the claim amount failing which to disclose the asset statement of the 1st respondent.

2. The case of the applicant is that the applicant is a resident of Dubai and is involved in the business of property development. During the year 2016, he came in contact with the 1st respondent through a common friend and the 1st respondent requested the applicant to financially help him to release the property from the loan for which the property was mortgaged. The applicant decided to extend financial help to the 1st respondent and accordingly, a loan agreement dated 08.07.2016 was executed between the applicant and the respondent wherein the 1st respondent was duly represented by



his power agent, who is the 2nd respondent and the 3rd respondent stood as the guarantor to the loan facility. A total of Rs.8 Crores was disbursed to the 1st respondent.

3. The power agent of the 1st respondent submitted all the original documents to the applicant pertaining to the property which has been duly received from the bank after the discharge of the mortgage loan availed by the 1st respondent. The 1st respondent executed a registered mortgage deed dated 22.07.2016 through the power agent as per the terms and conditions of the loan agreement.

4. The loan amount was not repaid by the respondent and an attempt was made to amicably resolve the dispute. A settlement agreement was entered into with the power of attorney agent viz., the 2nd respondent and the 3rd respondent during February 2020 where the respondents undertook not to create any interest over the mortgaged property adversely affecting the rights of the applicant and further agreed that the respondents would not resist the sale of the mortgaged property.

5. The dispute did not get resolved and in the year 2022, the



applicant received suit papers in OS No.24 of 2022 wherein the 2nd respondent had filed the suit against the 1st respondent questioning the cancellation of the Power of Attorney given to the 2nd respondent.

This suit is pending on the file of the Additional District Munsif Court, Namakkal.

6. The further case of the applicant is that as on 08.02.2025, a total sum of Rs.17.68 Crores, is due and payable and whereas, the value of the property that has been mortgaged is approximately 7 crores. Therefore, the applicant apprehended that he will not be able to realize the entire amount from and out of the mortgaged property even if the applicant is able to get an award in his favour.

7. It is under these circumstances, the applicant has filed the application in A No.750 of 2025 for a direction to the respondents to furnish security.

8. The allegation made in the application is that the respondents are attempting to deal with the mortgaged property by giving it on lease / license and create 3rd party rights. Therefore, the applicant has filed OA No.590 of 2025 to restrain the 1st respondent



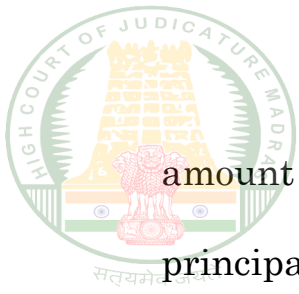
from alienating the schedule mentioned property.

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9. Heard M/s.Rajmakesh Sudharsanam, learned counsel for the petitioner and M/s.P.V.Balasubramanian, learned Senior counsel for Mr.Nithyavendhan.K.

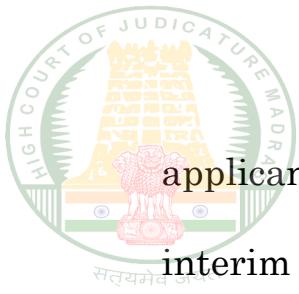
10. In the case in hand, the amount borrowed by the 1st respondent from the applicant was not repaid back right from the year 2020 onwards. In the year 2022, the Power of Attorney that was granted in favour of the 2nd respondent was also cancelled. Therefore, a cause of action had arisen long time back for the applicant to start the arbitration process in order to resolve the dispute between the parties. Surprisingly, the trigger notice under Section 21 of the Act has been issued by the applicant very recently.

11. The loan amount said to have been received by the 1st respondent is covered by a mortgage and according to the applicant, the value of the property mortgaged will not cover the entire loan amount. If the applicant does not initiate proceedings for recovery of the amount by invoking the arbitration clause, the interest amount is only going to accumulate. This is more so since out of the total



amount due and payable as on 08.02.2025 of Rs.17.68 Crores, the principal component is only Rs.6.95 crores and the interest component was more than 10.73 Crores. Hence, the amount due and payable will keep on increasing until it is repaid back. Under such circumstances, the minimum that is required on the side of the applicant is to initiate arbitration proceedings at the earliest. The trigger notice itself has been issued only yesterday as per the counsel for the applicant.

12. To invoke Section 9 of the Act, there must be a manifest intention to arbitrate failing which this Court will not exercise its jurisdiction under Section 9 of the Act. Till yesterday, the applicant has not even chosen to issue the trigger notice and that clearly shows that there was no manifest intention for the applicant to arbitrate. Under such circumstances, this Court will not invoke its jurisdiction under Section 9 of the Act. These applications have been filed only on the ground that the property that has been mortgaged will not be sufficient to cover the entire amount that is due and payable by the 1st respondent towards principal and interest. If the applicant had initiated proceedings at the earliest, the amount would not have accumulated to this extent. Such in-action on the part of the



applicant also dis-entitles the applicant from claiming for any interim relief under Section 9 of the Act.

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13. In the result, these applications are dismissed. It is left open to the applicant to proceed further with the process of appointment of arbitrator, as per law and as and when an arbitrator is appointed, it is left open to the applicant to move applications under Section 17 of the Act and seek for the interim relief. No costs.

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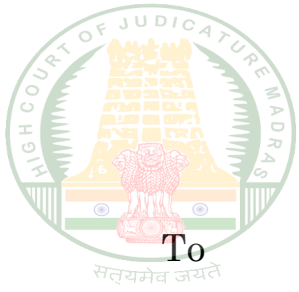
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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



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To

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