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O.A. No.504 of 2025

THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.06.2025

CORAM:

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

**O.A. No.504 of 2025
and
Arb. Appln. No.726 of 2025**

Lalithaa Jewellery Mart Ltd.

Rep. by its Whole Time Director,

P. Rajeswaran

.... Applicant

-Vs-

1. Sri Parameswara Poultry Farm Private Ltd.

Rep. by its Managing Director

and five others

.... Respondents

For Petitioner : Mr.P.V. Balasubramaniam
Senior Counsel
for Mr.Akhil Bhansali

For Respondents : Mr.R. Sankaranarayanan
Senior Counsel
for Mr.Arjun Suresh

ORDER

This Court by its order, dated 30.04.2025 had granted an order of interim injunction restraining the respondents from alienating / encumbering the properties morefully described in the schedule to the



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Judges Summons. The schedule comprises of various properties. The

claim of the applicant against the respondents is approximately Rs.15.12

Crores. On the last hearing date i.e. on 18.06.2025, it was represented by

the learned Senior Counsel appearing for the respondents that the value

of the properties is worth of more than Rs.450 Crores. He had made a

representation on instructions that the respondents shall file an Affidavit

of Undertaking before this Court that they shall not alienate / encumber

the properties described in the Schedule “Q” alone pending disposal of

the arbitration as the said properties would secure the interest of the

applicant pending arbitration. As undertaken by the respondents, an

Affidavit of Undertaking, dated 20.06.2025 has been filed by them

before this Court. However, in the said Affidavit of Undertaking, a

modification has been sought for by the respondents, wherein they have

undertaken not to alienate / encumber the properties morefully described

in the Schedule “K” to the Judges Summons instead of Schedule “Q”,

which was undertaken by the respondents through their learned Senior

Counsel before this Court on 18.06.2025. A valuation report has also

been filed in respect of Schedule “K” properties and as seen from the

same, the Realizable Sale Value of Schedule 'K' properties is

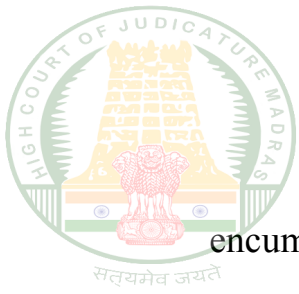
Rs.32,31,94,000/- and the Forced Sale Value is Rs.28,51,71,000/-.



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Therefore, the learned Senior Counsel appearing for the respondents

would submit that since the properties morefully described in the Schedule “K” will fetch more than the claim amount, the applicant will be fully protected with regard to the applicant's claim pending disposal of the arbitral proceedings. He would also submit that all the properties which are morefully described in the Schedule to the Judges Summons through various Schedules are all mortgaged with various financial institutions and none of them are unencumbered. He would submit that by mistake, a representation was made on the last hearing date that Schedule “Q” properties described in the Schedule to the Judges Summons is an unencumbered property. The learned counsel for the respondents is not aware of the valuation of the Schedule “K” properties which has been offered by the respondents as security to the applicant pending disposal of the arbitral proceedings. Since a valuation report has been filed by the respondents in support of the valuation and since there is no contra evidence available before this Court as on date, this Court for the present has to accept the same. By accepting the same, this Court is of the considered view that the applicant will be fully protected pending disposal of the arbitral proceedings, if an order of interim inunction is granted to restrain the respondents from alienating /



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encumbering the properties morefully described in the Schedule “K” alone pending disposal of the arbitral proceedings as the claim of the applicant against the respondents is only Rs.15.12 Crores together with interest.

2. Since the sale value of the Schedule “K” property is approximately Rs.32 Crores, the claim of the applicant will be protected pending disposal of the arbitral proceedings, if an order of interim injunction is passed to restrain the respondents from alienating / further encumbering the properties morefully described in the Schedule “K” alone as the other properties which are described in the Schedule to the Judges Summons will fetch more value and in all put together according to the respondents may fetch Rs.450 Crores approximately.

3. However, liberty will have to be granted to the respondents to file applications under Section 17 of the Arbitration and Conciliation Act, 1996, once an Arbitral Tribunal is constituted, in case the security provided by the respondents through this Court's order does not satisfy the claim amount of the applicant before the Arbitral Tribunal.



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4. Both the learned counsels on instructions have made a joint endorsement in the applications by agreeing to go for arbitration through Mr.Yashod Vardhan being appointed as the sole Arbitrator by this Court.

5. In view of the joint endorsement made by both sides counsels, this Court is issuing the following directions :-

a) This Court appoints Mr.Yashod Vardhan, Senior Advocate, who is having office at No.21(8), VII Main Road, Raja Annamalaipuram, Chennai – 600 028 (Mobile No.9841075397) as the sole Arbitrator to adjudicate the dispute between the parties arising out of the Memorandum of Understanding, dated 29.06.2023.

(b) The sole Arbitrator shall be paid his remuneration / fees in accordance with the 4th schedule of the Arbitration and Conciliation Act, 1996.

(c) Both the parties shall equally share the arbitrator's fees.

(d) The Arbitrator shall conduct the arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and shall complete the arbitration within the specified time as prescribed under the said Act.

6. Both the parties are granted liberty to file applications under Section 17 of the Arbitration and Conciliation Act, 1996 to protect their



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respective interests, pending disposal of the arbitral proceedings. With

the aforesaid directions, O.A. No.504 of 2025 and Arb. Appln. No.726 of 2025 are disposed of.

7. The earlier order, dated 30.04.2025 passed by this Court in O.A. No.504 of 2025 shall stand modified in the aforesaid terms.

8. The applicant is directed to communicate this order to the concerned SRO and other statutory authorities for effecting this order in their respective records.

23.06.2025

Index: Yes/ No
Speaking order / Non speaking order
Neutral citation : Yes / No
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ABDUL QUDDHOSE, J.

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