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Original Application No.526 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 07.10.2025

CORAM

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Original Application No.526 of 2025

1.R.Mahendran
S/o.Rajabather

2.D.Sarika
D/o.Late K.Dilli

.... Applicants

Vs.

Kasthuri
W/o.D.Mani

.... Respondent

PRAYER

Original Application filed under Section 9 of the Arbitration and Conciliation Act, 1996, praying to pass an order granting interim injunction restraining the respondent from alienating the schedule of property mentioned in the application, in any manner creating any charge, encumbrance or third party interest over the same, in furtherance of the Agreement for Sale dated 04.04.2025, executed between the first applicant and the respondent, till initiation of arbitration proceedings.

For Applicants : Mr.K.Ramanraj

For Respondent : Mr.R.Thirumoorthy

ORDER



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This application has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 (for brevity 'the Act') for the relief of interim injunction restraining the respondent from alienating/ encumbering the schedule property in furtherance of the agreement for sale dated 04.04.2025 executed by the first applicant and the respondent till initiation of arbitration proceedings.

2. The case of the applicants is that the respondent is the absolute owner of the subject property by virtue of a settlement deed dated 03.10.2013 registered as document No.8552/2013. The respondent was desirous of selling the property and accordingly, a General Power of Attorney was executed in favour of the second applicant, which was registered as document No.4280 of 2022. The specific case of the applicants is that the second applicant has advanced a total sum of Rs.8,00,000/- by means of bank transfer in favour of the respondent. Thereafter, the first applicant, represented by the second applicant, entered into an agreement for sale on 04.04.2025 offering to purchase the property for a total sale consideration of Rs.4,00,00,000/- and an advance amount of Rs.50,000/- was also paid to the respondent by way of cash. The first applicant agreed to pay the balance sale consideration within a



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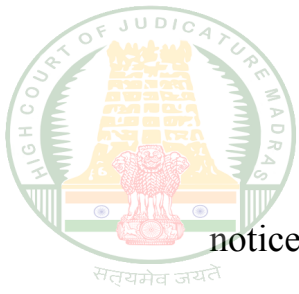
period of 90 days.

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3. The grievance of the applicants is that the respondent executed a deed of cancellation of the General Power of Attorney dated 28.04.2025, which was registered as document No.3988 of 2025. The respondent was also attempting to alienate/encumber the subject property in violation of the agreement of sale entered into with the first applicant, who was represented by the second applicant. It is under these circumstances, the present application came to be filed to injunct the respondent from alienating/encumbering the subject property.

4. Considering the nature of dispute between the parties, this Court thought it fit to refer the parties for mediation. In spite of best efforts, the parties were not able to reach any settlement and hence, when the matter came up for hearing on 09.09.2025, this Court made it clear that if settlement is not reported on the next date of hearing, the matter would be taken up for hearing on merits. Accordingly, the matter was heard on merits.

5. Learned counsel for the applicants submitted that the trigger



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notice under Section 21 of the Act has not been issued since sincere attempt was made to settle the dispute between the parties. However, the parties were not able to reach any settlement.

6. Learned counsel for the respondent submitted that there is no scope for settlement in this case and that the respondent never received the amount of Rs.8,00,000/- as was claimed by the applicants and even as per the agreement for sale, what was given as advance was only a sum of Rs.50,000/-. Hence, learned counsel for respondent even denied the claim made by the applicants with respect to the money that is said to have been paid by the respondent to the applicants.

7. This Court requested both sides as to whether they will consent for appointment of Arbitrator so that the issue can be resolved at the earliest. Learned counsel on either side consented for appointment of an Arbitrator. In view of the same, it will be more appropriate to appoint an Arbitrator in this case since the parties are governed by an Agreement for Sale, which contains an arbitration clause at Clause 14 of the Agreement. The grounds raised by both sides can be raised before the learned Arbitrator, which will be considered on its own merits and in



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accordance with law.

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8. Insofar as the interim protection that has been sought for by the applicants, normally where the agreement for sale is sought to be enforced, if at all any encumbrance is made during the pendency of the proceedings, it will be hit by principles of *lis pendens*. Therefore, Courts do not normally grant any interim order in a case arising out of an agreement for sale, which is sought to be specifically enforced. This is more so in view of the fact that the first applicant is only an agreement holder and the respondent continues to be owner of the property and no substantial amounts have been paid to the respondent considering the fact that the total sale consideration was fixed at Rs.4,00,00,000/-. Hence, this Court is not inclined to grant any interim order in favour of the applicants.

In the light of the above discussion, this Court appoints Mr.Vishnu.R, Advocate, 6(39), Salai Street, Mylapore, Chennai - 600 004 [98410 67395] as the sole Arbitrator and the sole Arbitrator is requested to adjudicate the arbitral disputes that had arisen between the

N.ANAND VENKATESH, J.

gm



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parties and render arbitral award by holding sittings in the 'Madras High Court Arbitration Centre under the aegis of this Court' (MHCAC) as per Madras High Court Arbitration Proceedings Rules 2017 and fee of Hon'ble sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.

Accordingly, this application is disposed of.

07.10.2025

NCC:Yes/No
Index:Yes/No
Speaking Order/Non-speaking Order
gm

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