



O.A.No.678 of 2025

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M/s.SMFG India Credit Company Ltd.

... Applicant

vs.

Esak Reyasudeen

... Respondent

For Applicant : Ms.K.Indumathi

For Respondent : Set exparte

ABDUL QUDDHOSE, J.

This application has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking for an order of interim injunction restraining the respondent from alienating/encumbering the property morefully described in the schedule to the Judges Summons. The respondent is a defaulter in the repayment of the loan to the applicant under the loan cum hypothecation agreement dated 31.01.2022.

2. As directed by this Court on 28.07.2025, the Registry has printed the name of the respondent in the cause list today. Notice sent to the respondent was returned with an endorsement 'refused', which amounts to deemed service. The said fact was also recorded by this Court in its earlier order dated 28.07.2025. Since the respondent remains unrepresented, the respondent is set exparte by this Court.



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3. The applicant has already recalled the loan through its notice dated 16.11.2024. As seen from the statement of accounts filed along with this application, dated 30.01.2025, a sum of Rs.11,15,668/- is due and payable by the respondent to the applicant. The applicant has expressed its willingness to go for arbitration in accordance with the arbitration clause contained in the loan cum hypothecation agreement dated 31.01.2022, which is the subject matter of the dispute between the parties. The applicant has also filed a copy of the CERSAI Certificate, dated 01.11.2024 to prove that the respondent is the owner of the property morefully described in the schedule to the Judges Summons.

4. 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 the applicant has made out a prima facie case for grant of an order of interim injunction as prayed for. The balance of convenience and irreparable hardship have also been established by the applicant. Further, since the respondent has been set exparte by this Court and since the applicant has



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made out a prima facie case and also established the balance of convenience and irreparable hardship, this Court has to necessarily allow this application as prayed for.

5. Accordingly, this application is allowed as prayed for. The applicant shall initiate arbitration in accordance with the arbitration clause, within a period of 90 days from the date of receipt of a copy of this order to comply with the statutory requirements of Section 9(2) of the Arbitration and Conciliation Act, 1996, failing which, the order of interim injunction granted by this Court in this application shall stand automatically vacated.

13.08.2025

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