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OA No. 877 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28-10-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

OA No. 877 of 2025

1. Harish Padmaraju
S/o.P.S.Krishamaraju,
New No. 8 , Old No. 17 ,
Manickam Street,
West Mambalam,
Chennai - 600033

Applicant(s)

Vs

1. Foodworks Gourment private
Limited
121/46, Dr.Radhakrishnan Salai
Road, Mylapore, Chennai 600
004., Tamilnadu, Also at RMZ,
Business Millenia Park Phase 2,
3A, 2nd Floor, Cowks
Kodandarama Nagar, Perungudi,
Chennai 600 096

2.Arun Prasanth Bacthavatsalam
Chief Executive Officer,
Foodworks Gourment private
Limited
121/46, Dr.Radhakrishnan Salai
Road, Mylapore, Chennai 600
004.,
Rmz Business Milllenia Park
Phase 2, 3a 2nd Floor, Cowrks,
Kondandarama Nagar, Perungudi,



Chennai - 600096

3.Waziq Abdulla
Director – Finance
Foodworks Gourment private
Limited
121/46, Dr.Radhakrishnan Salai
Road, Mylapore, Chennai 600
004.,

Also at
Rmz Business Milllenia Park
Phase 2, 3a 2nd Floor, Cowrks,
Kondandarama Nagar, Perungudi,
Chennai - 600096

Respondent(s)

PRAYER

To grant an order of interim injunction restraining the respondents, their men, agents, assigns, or anyone claiming under them from in any manner alienating, encumbering, or creating any third-party rights in respect of the outlet situated at Himayat Nagar, Hyderabad, or from executing or entering into any further franchise agreement or understanding in respect of the said premises.

For Applicant(s): M/s.D.R.Law Chambers
For M/s.S.P.Arthi (1184/2001)
Respondent(s):
P.S.Suman(924/2003)
V.Amrutha(1870/2015)
V.Anandavenu(8250/2022)
Hariharan.G(4145/2022)
Vellayan.K(4040/2023)
Mob-9791112166
Vak For R1 Ro R3-d.No-
38518/2025-filed On-
07/10/2025
Aos Filed D.No. 38346/2025



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ORDER

This application has been filed under Section 9 of the Act (for brevity hereinafter referred to as the Act) for an interim injunction restraining the respondents from in any manner alienating / encumbering / creating third party rights in respect of the out-let or from executing or entering into any further franchise agreement or understanding in respect of the said premises.

2. When the matter came up for hearing on 09.09.2025, this Court passed the following order:-

This petition has been under Section 9 of the Arbitration and Conciliation Act, 1986 for an order of interim injunction restraining the respondents, their men, agents, assigns or anyone claiming under them, from in any manner alienating or encumbering or creating third party rights in respect of the outlet or from executing or entering into any further franchise agreement in relation to the subject premises.

2.This Court heard the learned counsel for the applicant and considered the materials available on record.

3.It is seen from records that the applicant entered into Franchise Term Sheet dated 01.11.2023 and had



remitted a total sum of Rs.1,17,95,000/- for the period between October 2023 and April 2024. This franchise agreement was to subsist for a period of five years. The grievance of the petitioner is that all of sudden from November 2024, the premise was locked and unattended and the access was denied. The applicant issued notice under Section 21 of the Act, dated 24.6.2025 for appointment of an arbitrator and inspite of the receipt of the same, there was no response from the respondents. It is under these circumstances, the present application has been filed before this Court.

4.A prima facie has been made out and if the interim order is not passed in favour of the applicant, he will be put to irreparable loss and hardship and the balance of convenience is also in favour of the applicant. Hence, there shall be an order of interim injunction till 7.10.2025.

5.Notice to respondents returnable by 7.10.2025. Private notice is also permitted.

6.The applicant, to comply with Order XXXIX Rule 3(a) of Code of Civil Procedure, 1908.

7.List the matter on 07.10.2025.

3. Pursuant to the above order, notice was issued to the respondents and the respondents have entered appearance and have also filed counter affidavit. The respondents have taken a stand that consequent upon the term sheet dated 01.11.2023, the 1st respondent



found a suitable property and thereafter, entered into lease agreement with the owner of the property. The rent was also fixed at Rs.2,50,000/- per month. The 1st respondent also paid the interest free refundable deposit to the owner of the property.

4. The 1st respondent continue to pay the rents. But however, the parties were not able to reach a consensus for the purpose of entering into an agreement. In the meantime, a complaint was given to the police and since the dispute involved is Civil in nature, CCB, Chennai, closed the complaint. All disputes between the parties to finalise the franchise agreement failed. In the meantime, the restaurant was soft launched in February 2025, as a prelude to the commercial launch and for a test run. However, since there was no formal franchise agreement between the parties, the entire process has now come to a stand still and the 1st respondent has shut down the premises since he was not able to operate the same and no revenue was generated. The respondents have taken a stand that the present application has been filed only on mere apprehension and there is absolutely no averment made in the application or any materials available to substantiate the apprehension raised by the applicant. Accordingly, the respondents have sought for dismissal of



these applications.

5. This Court has carefully considered the submissions made on either side and the materials available on record.

6. In the case in hand, apart from the term sheet, the parties were not able to reach any consensus to finalise the franchise agreement. The entire transaction has hit a road block and it is contended on the side of the respondents that the property itself has been shut down.

7. The applicant has already issued a trigger notice under Section 21 of the Act on 24.06.2025. The learned counsel for the applicant submitted that already a petition has been filed under Section 11 seeking for appointment of an Arbitrator.

8. This Court considering the facts of the case and expressed its mind to the effect that an arbitrator can be appointed so that the dispute can be referred to the arbitrator and the parties can agitate their claim before the Arbitrator. The learned counsel appearing on either side submitted that they consent to the appointment of a sole arbitrator by this Court.



9. As per the term sheet dated 01.11.2023, it provided for an arbitration clause as follows:-

Any dispute, controversy or claims between the parties herein arising out of or relating to this Agreement/Term sheet or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the provisions of the Indian] Arbitration and Conciliation Act, 1996 [referred as "the Act"] and the arbitral tribunal shall be composed of one arbitrator appointed by mutual consent of the parties, subject to section 11 of the Act. The place of arbitration shall be at Chennai and any award whether interim or final, shall be made, and shall be deemed for all purposes between the Parties to be made in respect of this Agreement/Term sheet.

The award of the arbitral tribunal shall be final, conclusive and binding upon the Parties, and the provisions of the Indian] Arbitration and Conciliation Act, 1996 shall apply.

The rights and obligations of the Parties under, or



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pursuant to, this Clause, including the arbitration agreement in this Clause, shall be governed by and be subject to Indian law, and the agreement shall be subject to the exclusive jurisdiction of the Courts at Chennai.

10. This Court finds that there is a valid agreement between the parties in line with Section 7 of the Act and it also contains an arbitration clause and hence, this Court is inclined to appoint a sole arbitrator.

11. The specific stand taken by the 1st respondent is that the premises has already been shut down since the franchisee agreement was not able to be finalised. Under such circumstances, it is not necessary for this Court to pass any further orders in the application filed under section 9 of the Act on the apprehension raised by the applicant. It will be left open to the parties to file appropriate application under section 17 of the Act before the sole arbitrator and seek for any interim protection, if so required. The same will be considered on its own merits and in accordance with law.



12. In the light of the above discussion, Mr.Mukunth.S, Senior Advocate, at Sarvabhauman Associates, 47, Armenian Street, Chennai 600 001, M No.98940 30305, is appointed as sole Arbitrator and the Arbitrator is requested to adjudicate the arbitral dispute that were arising between the parties by holding the sittings in any venue in Chennai to the convenience of all concerned and render an award. Fees of the sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC)(Administrative Cost and Arbitrator's Fees) Rules 2017.

13. This Arb. OP is disposed of in the above terms. There shall be no order as to costs.

28-10-2025

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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



To

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