IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-02-2026

CORAM

THE HON'BLE MR JUSTICE N. ANAND VENKATESH

OA No. 105 of 2026

Ms Indostar Capital Finance Limited
IndoStar Tower, 3rd Floor, 22 23, Venkatanarayana
Road,T.Nagar, Chennai 600 017, Tamil Nadu, India

..Applicant(s)

Vs

1. Srinivasan K
   S/o.Kandhan,
   D.No.143/3, Ramakondahalli
   Pennagram Taluk,
   Ramagondahalli,
   Dharmapuri,
   Tamil Nadu 636 810.
2. Akila S
   Wo. SrinivasanD.No. 143 3,
   Ramakondahalli,PennagramTaluk,
   Ramagondahalli,Dharmapuri, Tamilnadu 636810
3. Srinivasan A
   So. AngamuthuD.No.2 299,
   Ramakondahalli,Pudhubalasamuthiram,
   Pennagaram,Ramagondahalli
   Dharmapuri,Tamilnadu 636810

..Respondent(s)

PRAYER: This application is filed under Order XIV Rule 8 of O.S. Rules read with Section 9 (ii) (d) & (e) of the Arbitration and Conciliation Act, 1996, to pass an order of interim injunction restraining 1st respondent by himself, his servants, assigns, agents, representatives, officers, trustees, beneficiaries, administrator/s or any other person claiming through or under them or under any instrument, whatsoever from in any manner selling, alienating, transferring, parting with the possession of dealing, with disposing of inducting, anyone into or developing or creating any third party right or interest of whatsoever nature and in any manner whatsoever in respect of their property morefully described in the schedule hereunder, through District Court Dharmapuri.

For Applicant(s): Mr. M.Arunachalam

ORDER

This application has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, (hereinafter referred to as "the Act") seeking an interim injunction restraining the first respondent from alienating or parting with the property more fully described in the schedule to the Judge's Summon.

2. The case of the applicant is that the respondents approached the applicant for a loan facility for the purchase of a commercial vehicle. The first respondent is the borrower, the second respondent is the co-borrower and the third respondent stood as the guarantor. They entered into a Loan-cum-Hypothecation Agreement, dated 10.05.2023 for a sum of Rs.13,94,000/- in respect of the purchase of the vehicle. The respondents agreed to repay back the

loan with interest in 48 monthly instalments commencing from 10.06.2023 and ending on 10.05.2027. The vehicle was also hypothecated in favour of the applicant and the applicant will remain the owner of the vehicle until the last instalment is paid.

3. The further case of the applicant is that the respondents committed default in repayment of the loan amount and they have paid only 27 instalments and the remaining instalments have not been paid. As the default continued, the loan facility was recalled on 15.02.2025, and the respondents were called upon to pay a sum of Rs.10,21,618/-.

4. The agreement between the parties contains an arbitration clause in Clause 37. Accordingly, arbitration proceedings were also initiated by the appointment of a sole Arbitrator, and the arbitral proceedings are pending.

5. The applicant was not in a position to file an application under Section 17 of the Act before the sole Arbitrator, as the hypothecated vehicle could not be traced. In the mean time, the applicant was able to identify one of the properties belonging to the first respondent and, in order to secure the loan

amount, has approached this Court seeking interim protection by restraining the first respondent from alienating or dealing with the said property.

6. When the application came up for hearing on 10.02.2026, this Court ordered notice to the respondents.

7. Though notice has been served on the respondents and their names have also been printed in the cause list, there is no representation either in person or through counsel on their behalf.

8. Heard the learned counsel appearing for the applicant and carefully perused the materials available on record.

9. A *prima facie* has been made out, as the amount due and payable by the respondents has not been paid till date. Insofar as the balance of convenience and the test of irreparable loss and hardship are concerned, the vehicle that was hypothecated in favour of the applicant has not been traced till date. Therefore, the only available security is the immovable property belonging to the first respondent, which has to be kept intact till the completion of the

arbitral proceedings. Hence, balance of convenience is in favour of the applicant. If the property is not secured, even if an award is passed in favour of the applicant, they will not be able to recover the amount without the security and hence, it will cause irreparable loss to the applicant.

10. In the light of the above discussion, there shall be an order in injunction as prayed for, till the conclusion of the arbitral proceedings.

11. In the result, this Original Application is allowed in the above terms. No costs.

24-02-2026

Asi

To

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N.ANAND VENKATESH, J.

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