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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04-11-2026

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THE HONOURABLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

OA No. 154 of 2026 and Arb Appln Nos.364 & 365 of 2026

Ms DMC Automotive Private Limited
Represented by its Authorised
Signatory Mr.R.Vijayakumar

Applicant in all cases

Vs

1. M/s L S Automotive Private Limited
Represented by its Managing Director
Mr.Jung Hyun Ann

2.M/s Hyundai Motor India Limited

3.M/s HDFC Bank

Respondents in all cases

For Applicant: Mr.R.PRABHAKARAN

For Respondents: Mr.Sricharan Rangarajan,
Senior Counsel for
Mr.AthibanVijay for R1
Ms.Shanas Fathima for
M/s.P.V.S.Giridhar & Associates
for R2
Mr.C.Mohan for R3 for
Ms.A.Rexy Josephine Mary for
M/s.King and Partridge

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COMMON ORDER

All these applications, filed under Section 9 of the Arbitration and Conciliation Act, 1996, are connected and, as such, are taken up together and disposed of by this common order.

2.The brief facts of the case are that there appears to be a Tripartite Leave and License Agreement executed between the parties on 27.12.2013, which contains an arbitration clause for the resolution of disputes. Independent of that, the parties have also entered into subsequent purchase agreements. The applicant is the sub-vendor of the first respondent and the second respondent is the purchaser of the products.

3.The grievance of the applicant is that the second respondent, namely Hyundai Motor India Limited, purchases several parts, such as switches, audio panels, etc., which are detailed in the affidavit filed in support of these applications, that are supplied by the first respondent. The applicant acted as the sub-vendor while entering into the Leave and License Agreement. The applicant contends that though a specific quantity had been promised, prompting the applicant to establish its entire facility solely for that purpose, the applicant was subsequently arm-twisted through the respondents' conduct into entering into agreements for lesser quantities and at ad-hoc prices, without being granted fair

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prices for the products. It is further contended that there are several other issues amounting to a complete breach of the essence of the agreement between the parties, which has led to the present dispute.

4.The learned counsel for the applicant would submit that the details of the various heads under which the amounts are claimed are mentioned in paragraph 35 of the application, and the corresponding tabular column is provided in paragraph 39 of the affidavit filed in support of these applications. The learned counsel for the applicant would further submit that a huge amount is due and the total claim, including business loss, runs to approximately Rs. 800 crores. The applicant has already filed Arb.O.P. No.674 of 2026 under Section 11 of the Act for the appointment of an arbitrator. He would submit that if the applicant ultimately succeeds in the arbitration, it will not be in a position to realize its claims unless interim orders are granted at this stage directing the respondents to furnish security, granting an order of injunction, and appointing an Advocate Commissioner to make an inventory. He would submit that the applicant, being a relatively small-time operator, has been given a raw deal and has been made to suffer consecutive losses due to the actions of the respondents.

5.The learned Senior Counsel appearing on behalf of the first respondent would submit that the entire cause of action, as reflected in the affidavit, would relate to the purchase agreements, which do not contain an arbitration clause.

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He pointed out that the applicant had earlier attempted to approach the commercial jurisdiction of this Court by making a request under Section 12A of the Commercial Courts Act for pre-litigation mediation, but has now turned around to make the present claim under the Arbitration Act. Secondly, it was submitted that the notice invoking arbitration was issued in the year 2023 and was duly replied to and therefore, the claim is very belatedly made before this Court.

6.The learned Senior Counsel further contended that on the face of it, the claims made by the applicant in the affidavit are barred by limitation, as they pertain to the period from 2016 to 2021. Therefore, Section 43 of the Arbitration and Conciliation Act applies, and none of the claims fall within the limitation period. Even on merits, the claim is merely for tentative damages. While the purchase orders and invoices are being settled as per the valid agreements entered into by the parties, it is the wishful claim of the applicant that it was coerced into entering into such agreements. Therefore, whether the matter is considered procedurally, on merits, or with reference to the existence of an arbitration clause, the applicant has failed to establish a prima facie case and none of the reliefs should be granted.

7.The learned counsel appearing on behalf of the second respondent would submit that they have been unnecessarily dragged into this dispute. They

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have been acting in accordance with the relevant agreements and making payments regularly. Since the dispute is essentially between the vendor and the sub-vendor, the second respondent ought not to have been dragged into the issue. The learned counsel would submit that none of the prayers made in the applications relate to the second respondent, as they are directed solely against the first respondent.

8.I have considered the rival submissions made on either side and perused the material records of the case.

9.The issues regarding whether an arbitration agreement exists, whether the arbitration clause in the original Leave and License Agreement covers the subsequent agreements, and whether the arbitration clause eclipses, are all matters to be considered either before the Arbitrator or in the pending application filed under Section 11 of the Arbitration and Conciliation Act, 1996. These questions need not be expressly answered at this stage.

10.When the applicant pleads for an urgent interim relief, with reference to prima facie case, I am of the view that the majority of the claims relate to business loss and the alleged unfair treatment meted out to the applicant, leading to claim of damages. Therefore, these claims must be properly quantified and determined by the Arbitrator if and when the matter is referred to

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arbitration.

11.With reference to the prima facie case and the balance of convenience, it can be seen that the claims relate to the period from 2016 to 2021 and thereafter. Even the notice invoking arbitration was issued in the year 2023. The very purpose of exercising power under Section 9 is to grant urgent relief to parties to ensure they are not placed in a disadvantageous position if their claim ultimately succeeds before the arbitrator. This is not a case where this Court should grant urgent interim relief pending the quantification of claims, if any, by the arbitrator.

12.Accordingly, finding that the balance of convenience does not favor the grant of any of the reliefs sought, these applications stand disposed of. However, all contentions regarding the merits of the matter are kept open to be raised in the appropriate proceedings.

04-11-2026

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D.BHARATHA CHAKRAVARTHY J.

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04-11-2026

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