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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28-10-2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

Original Application Nos. 1156 to 1158 of 2025

S Nagarajan
S/o.Mr.N.Seyyadurai,

..Applicant in all applications

Vs

1. S Sukumar
   S/o.Mr.Subbiah Nadar

2. S Kalaiyarasi
   W/o.Mr.S.Sukumar

3. Bala Murugan Chemicals Private Limited
   No.255, Tirunallar Road, Karaikal,
   Pondicherry – 609602.

..Respondents in all applications

Prayer in O.A.No.1156 of 2025: Original Application filed under Order XIV Rule 8 of Original Side Rules read with Section 9(1)(ii)(d) of Arbitration and Conciliation Act, 1996, to pass an order of Interim Injunction restraining the respondents, their men, agents, or assigns from in any manner dealing, disposing, alienating, charging or encumbering the assets and the business undertaking of the 3rd respondent Company more fully enlisted in Schedule B to the Acquisition Agreement dated 21.08.2025 during the pendency of the Arbitral proceedings.

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Prayer in O.A.No.1157 of 2025: Original Application filed under Order XIV Rule 8 of Original Side Rules read with Section 9(1)(ii)(d) of Arbitration and Conciliation Act, 1996, to pass an order of Interim Injunction restraining the Respondents, their men, agents, or assigns from conducting the affairs of the 3rd respondent Company in a manner prejudiicial to the applicant or the consummation of the acquisition as per the terms of the acquisition agreement dated 21.08.2025, during the pendency of the Arbitral proceedings.

Prayer in O.A.No.1158 of 2025: Original Application filed under Order XIV Rule 8 of Original Side Rules read with Section 9(1)(ii)(d) of Arbitration and Conciliation Act, 1996, to pass an order of Interim Injunction restraining the Respondents 1 and 2 their agents, nominees, or any other person claiming under them from in any manner transferring, alienating, encumbering or creating any third party rights or interest over the shares/securities held by them in the 3rd respondent Company, during the pendency of the arbitral proceedings.

For Applicant : Mr.Surya Teja S S Nalla
[in all applications]

For Respondents : Mr.Puhazh Gandhi
[in all applications]

COMMON ORDER

These applications are connected to each other and as such are taken up together and disposed of by this common order.

2. The grievance of the applicant is that the respondents entered into an agreement with the applicant with reference to the acquisition of the 3rd

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respondent company. However, they went back from the agreement and the 1st respondent unilaterally issued a communication terminating the agreement. Therefore, they are seeking to enforce the agreement and they have already issued a notice invoking arbitration under Section 21 of the Arbitration and Conciliation Act, 2016 [hereinafter referred to as 'the Act']. Even though interim orders have been granted and are continuing all along, the learned counsel would submit that they will take steps within a short period to file an application under Section 11 of the Act and continue the arbitration. In the meanwhile, the continuation of the interim order is necessary pending the filing of the application before this Court. The respondents themselves in their communications have agreed that they will not alienate the properties and only sought time to work together.

3. Opposing the prayers, the learned counsel appearing on behalf the respondents would submit that even though injunction was granted in December 2025, till date the applicant has not taken steps to constitute the tribunal after obtaining an interim order, they are endlessly dragging on the issue and thus the applications are to be dismissed for violation of section 9(2) of the Act. The respondents terminated the agreement following the attachment of their shares by the Income Tax Department, upon realizing that they were unable to meet the obligations stipulated in the agreement. Despite having full knowledge of

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this position, the applicant filed these applications and obtained interim orders solely to arm-twist and coerce the respondents. Clearly, there is no genuine intention to proceed with the arbitration.

4. After considering the arguments made by the learned counsel for the applicant, when this Court suggested that the Court will name an independent arbitrator from the panel of arbitrators empanelled with the Madras High Court Arbitration Center and that the arbitrator can enter reference and decide the issue and the fee shall be paid as per schedule – IV of the Act, both sides learned counsel would agree. Then, this court suggested the name of Hon'ble Mr.Justice M.Sathyanarayanan [former Judge of Madras High Court].

5. Both sides learned counsel had no objection and there is also consensus that the interim order already granted shall continue until the disposal of the arbitration proceedings and that both sides will cooperate for the expeditious disposal of the arbitral proceedings. In view thereof, these applications are disposed of on the following terms:

(i) Hon'ble Mr.Justice M.Sathyanarayanan,[former Judge of Madras High Court] having address at Old No.9, New No.5/1, 2nd Avenue, 2nd Extension, Indra Nagar, Adyar, Chennai – 600 020 and Office address at 108/64, Catholic Centre Main Building, I Floor, Armenian Street, Chennai – 600 001. [Phone

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Nos: 044-24432925; 9498022255] [Email id: js161159@gmail.com] as agreed by the parties is appointed by this Court as a sole arbitrator to enter into reference and adjudicate the dispute arising out of the agreement dated 21.08.2025.The venue of the arbitration shall be the Madras High Court Arbitration Centre, and the fees shall be in accordance with Schedule IV of the Act.

2. Until the disposal of the arbitration proceedings, there shall be an order of interim injunction restraining the respondents their men agents or assigns from in any manner dealing with disposing, alienating, charging or encumbering the assets and the business undertaking of the 3rd respondent company more fully enlisted in the schedule B to the acquisition agreement.

3. The shares held by the respondents shall also not be alienated, transferred, or otherwise disposed of.

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Index: Yes
Speaking Order
Neutral Citation: Yes

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D.BHARATHA CHAKRAVARTHY J.

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