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IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 06 / 04 / 2026

PRONOUNCED ON : 29 / 04 / 2026

Coram:

THE HONOURABLE MR. JUSTICE P.VELMURUGAN
and
THE HONOURABLE MRS. JUSTICE K.GOVINDARAJAN
THILAKAVADI

O.S.A.(CAD).No.39 of 2026 &
C.M.P.No.5951 of 2026

M/s.Corromandel Engineering Company Limited,
Rep. through is Managing Director,
Ground Floor, Boscon Futura SV
No.10/2, Venkatanarayana Road,
T.Nagar, Chennai - 600 017.

... Appellant

Vs.

1.Sujay Senthil
2.Siranjeevi Saravanan
Through POA Holder and his mother,
Shanthi.N. having address at No.3, GD Street,
Race Course, Coimbatore -641 018.
3.Varhamurthy Ventures Pvt. Ltd.,
(Formerly GK Alloy Streets Pvt. Ltd.)
through its authorized signatory K.Venkatesh
Coimbatore - 641 044.

... Respondents



Prayer: This Original Side Appeal is filed under Section 13 of the Commercial Court Act, to set aside the order passed in Arb.Appln.No.756 of 2025, dated 30.01.2026.

For Appellant : Mr.M.Muthucharan Sundresh

For Respondent : Mr.Om.Prakash
Senior Advocate

For Mr.K.Nishanth for R1 to R3

JUDGMENT

P.VELMURUGAN, J.

This Original Side Appeal is directed against the order dated 30.01.2026 passed in Arb. Appln.No.756 of 2025, whereby the learned Single Judge, in exercise of powers under Section 9 of the Arbitration and Conciliation Act, 1996, directed the appellant to deposit the original title deeds relating to the subject property before the Court, pending adjudication of proceedings arising out of the arbitral award dated 20.09.2024.



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2. The facts leading to the present appeal, in brief, are as follows:

2.1. The respondents are the undisputed owners of the subject property. On 23.05.2008, they entered into a Development Agreement with the appellant, a company engaged in construction and infrastructure development. Under the terms of the agreement, the respondents were entitled to 36% of the built-up area, while the appellant was entitled to 64%. The agreement also provided for payment of an interest-free refundable security deposit of Rs.3 Crores by the appellant to the respondents.

2.2. Pursuant to the Development Agreement, the respondents handed over possession of the property along with the original title deeds to the appellant for the limited purpose of carrying out development of the project. However, the project did not progress as originally envisaged. According to the appellant, the delay was due to factors beyond its control, including delays in obtaining statutory approvals, regulatory and corporate impediments, infrastructure requirements imposed by authorities, and

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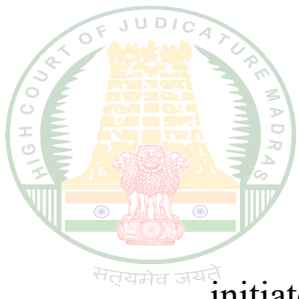


supervening circumstances such as the Covid-19 pandemic. It is the appellant's case that these factors rendered performance of the contract impracticable and that the agreement stood frustrated.

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2.3. In view of the disputes that arose between the parties, the respondents invoked the arbitration clause contained in the Development Agreement. A Sole Arbitrator was appointed by order dated 18.06.2021. The arbitral proceedings culminated in an award dated 20.09.2024, by which the learned Arbitrator, inter alia, directed forfeiture of the security deposit of Rs.3 Crores, payment of certain monetary sums by the appellant, and return of the original title deeds to the respondents.

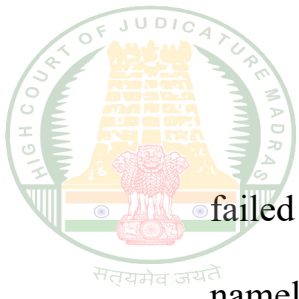
2.4. Aggrieved by the said award, the appellant has filed Arb.O.P. (Com. Div.)No.83 of 2025 under Section 34 of the Arbitration and Conciliation Act, 1996 challenging its validity, and the same is pending adjudication.



2.5. During the pendency of the said proceedings, the respondents initiated steps to enforce the award, including the filing of execution proceedings. In addition, they filed Arb.Appln.No.756 of 2025 under Section 9 of the Act seeking, among other reliefs, directions regarding the custody of the original title deeds.

2.6. By order dated 30.01.2026, the learned Single Judge directed the appellant to deposit the original title deeds before the Court. The said direction is under challenge in the present appeal.

3. The learned counsel appearing for the appellant would submit that the impugned order is contrary to law, the materials on record, and the settled principles governing the grant of interim relief under Section 9 of the Arbitration and Conciliation Act, 1996. It is contended that the arbitral award dated 20.09.2024 is under challenge under Section 34 of the Act and, therefore, the learned Single Judge ought not to have granted a direction which has the effect of disturbing the existing position between the parties. The learned counsel would further submit that the learned Single Judge has



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failed to consider the well-settled principles governing interim relief, namely, prima facie case, balance of convenience, irreparable injury, and whether the relief sought is just and convenient. In this regard, reliance is placed on the judgment of the Hon'ble Supreme Court in *Adhunik Steels Ltd. v. Orissa Manganese and Minerals (P) Ltd.*, [(2007) 7 SCC 125] wherein it has been held that the power under Section 9 is to be exercised in accordance with the settled principles governing interim injunctions and similar reliefs.

4. The learned counsel also relies upon *Arvind Constructions Co. (P) Ltd. v. Kalinga Mining Corporation* [(2007) 6 SCC 798] to submit that even while exercising powers under Section 9, the Court must be guided by the general principles applicable to grant of interim relief and that such power is not to be exercised arbitrarily or without satisfying the necessary requirements. It is further submitted that the impugned order, directing deposit of the original title deeds, is in the nature of a mandatory direction and effectively grants substantive relief, which ought not to have been granted at an interim stage. According to the learned counsel, the appellant came into possession of the original title deeds lawfully pursuant to the

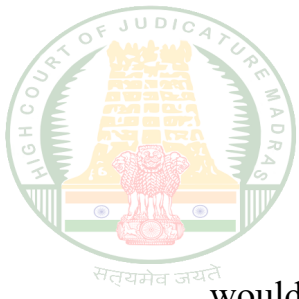
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Development Agreement, and such possession ought not to be disturbed without a final adjudication of the disputes.

5. The learned counsel would also contend that the impugned order is a non-speaking order, inasmuch as it does not disclose any reasons as to why such a direction was necessary. Reliance is placed on the judgment of the Hon'ble Supreme Court in *CCT v. Shukla & Bros.* to submit that recording of reasons is an essential requirement of judicial orders and that absence of reasons vitiates the order. It is further submitted that the application in Arb. Appln.No.756 of 2025 had been pending for several months and there were no emergent circumstances warranting the passing of such a direction. According to the learned counsel, there was no material to show that any prejudice or loss would be caused to the respondents if the relief was not granted. The learned counsel would also submit that the learned Single Judge erred in disposing of the application without affording sufficient opportunity to the appellant to file its objections, thereby violating the principles of natural justice. It is therefore submitted that the impugned order directing deposit of the original title deeds is unsustainable and liable to be set aside.

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6. Per contra, the learned senior counsel appearing for the respondents

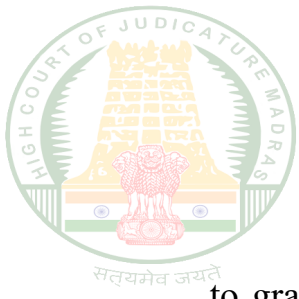
would submit that the respondents are the admitted owners of the property and that the original title deeds belong to them. It is contended that the appellant has no independent or subsisting right to retain the documents, particularly when the Development Agreement, under which the documents were handed over, has already been the subject matter of arbitral proceedings. The learned senior counsel would further submit that the arbitral award directs return of the original title deeds and that the mere filing of a petition under Section 34 of the Arbitration and Conciliation Act, 1996 does not operate as a stay of the award. It is also submitted that the direction to deposit the original title deeds is only a protective measure and does not amount to enforcement of the arbitral award. The learned senior counsel would further submit that the learned Single Judge had indicated that the main Original Petition filed under Section 34 of the Act could be taken up for final disposal at an early date. However, as the appellant did not cooperate for such early disposal, the learned Single Judge proceeded to pass the interim order. It is therefore submitted that the order passed by the learned Single Judge does not call for interference, and the learned counsel prays that the Original Side Appeal be dismissed.



7. This Court has considered the rival submissions and perused the materials placed on record.

8. It is not in dispute that the respondents are the owners of the subject property and that the appellant came into possession of the original title deeds pursuant to the Development Agreement dated 23.05.2008 for the purpose of development of the project. It is also admitted that disputes arose between the parties, which led to arbitral proceedings, and an award dated 20.09.2024 was passed by the learned Sole Arbitrator directing return of the original title deeds to the respondents. Challenging the said award, the appellant has filed Arb.O.P. (Com. Div.) No.83 of 2025 under Section 34 of the Arbitration and Conciliation Act, 1996, which is presently pending before the learned Single Judge.

9. During the pendency of the said proceedings, the respondents filed an application under Section 9 of the Act seeking interim measures, including directions with regard to the custody of the original title deeds. By order dated 30.01.2026, the learned Single Judge directed the appellant to deposit the original title deeds before the Court.



10. The main contention of the appellant is that the direction amounts to granting final relief, especially when the award is under challenge. This contention cannot be accepted in the facts of the present case. The direction of the learned Single Judge is only to deposit the documents before the Court and does not amount to handing them over to the respondents. It is only a protective measure to safeguard the subject matter until the proceedings under Section 34 of the Act are decided.

11. It is well settled that the mere filing of a petition under Section 34 of the Act does not automatically stay the arbitral award. Unless a specific stay is granted, the award continues to operate. At the same time, the Court, while exercising powers under Section 9 of the Act, can pass appropriate interim orders to protect the subject matter of the dispute and ensure that the proceedings are not prejudiced.

12. In the present case, the direction to deposit the original title deeds is only a protective measure. It does not amount to enforcement of the award, nor does it finally decide the rights of the parties. Therefore, the said direction cannot be found fault with.

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13. It is also brought to the notice of this Court by the learned senior counsel appearing for the respondents that the learned Single Judge had indicated that the main Original Petition filed under Section 34 of the Act could be taken up for final disposal at an early date. However, according to the respondents, the appellant did not cooperate for such early disposal, and therefore the interim order came to be passed.

14. In such circumstances, this Court is of the considered view that the order passed by the learned Single Judge directing deposit of the original title deeds before this Court does not warrant interference. The said order is only an interim protective measure and does not finally determine the rights of the parties.

15. Accordingly, the Original Side Appeal is dismissed; however, in view of the nature of the dispute, the parties are directed to cooperate for the expeditious disposal of Arb.O.P.(Com. Div.)No.83 of 2025 pending before the learned Single Judge, and it is open to either party to seek an early

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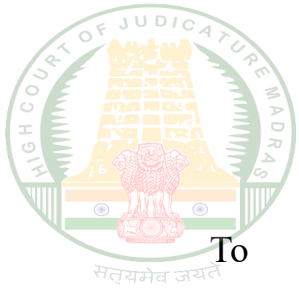
hearing, upon which the learned Single Judge shall take up the matter for disposal at the earliest, and it is also open to the appellant to raise all grounds available to it before the learned Single Judge, who shall consider the same in accordance with law. There shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

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[P.V.J.] [K.G.T.J.]
29 / 04 / 2026

Speaking Order
Neutral Citation case: Yes

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To

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The Sub Assistant Registrar,
(Original Side)
Madras High Court,
Chennai.



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Case Citation: (2026) ibclaw.in 2677 HC



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Pre-Delivery Judgement in
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