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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15-09-2026

CORAM

THE HON'BLE MR JUSTICE P. VELMURUGAN

AND

THE HON'BLE MR.JUSTICE GK.MUTHUKUMAAR

OSA(CAD) Nos. 84 to 87 of 2026
and
C.M.P.Nos. 21490, 21493, 21465 & 21401 of 2026

CNR:{HCMA011077532026}

Case QR

Propcare Real Estate Management Pvt Ltd
Rep by its Director, Mantri House, 41,
Vittal Mallya Road, Bengaluru 560 001
(amended as per order dt.
08.12.2025 in A.Nos. 5784, 5785, 5786, 5781, 5782, 5783, 5775, 5776, 5777, 5778 & 5779 of 2025)

..Appellant in all the Appeals

Vs

Krishnakumar Arunachalam
S/o. T.S.Arunachalam
Villa No. 15, G1 Floor,
4BHK, 138 Kalaignar Karunanidhi Salai, East Coast Road
Link Road, Sholinganallur
Chennai 119

..Respondent in O.S.A. (CAD).No.84/26

1. Annamalai Lakshmanan, S/o. Lakshmanan,
   Villa No. 82, G 1 Floor, 5BHK, 138,
   Kalaignar Karunanidhi Salai, East Coast Road,
   Link Road, Sholinganallur, Chennai - 600 119.

2. Annapoorna V, W/o. Annamalai Lakshmanan,
   Villa Oo. 82, G 1 Floor, 5BHD, 138,

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Kalaignar Karunanidhi Salai, East Coast Road,
Link Road, Sholinganallur, Chennai - 600 119

..Respondents in O.S.A.
(CAD).No.85 of 2026

Nigar Ameen, W/o. Mohammed Ameen Sait,
Villa No.17, G 1 Floor, Gladio 4BHK, 138,
Kalaignar Karunanidhi Salai, East Coast Road,
Link Road, Sholinganallur, Chennai - 600 119.

Respondent in O.S.A.
(CAD).No.86 of 2026

1. Mohammed Fazeel,
   S/o Mohammed Ameen Sait,
   Villa No.42, G+ 1 Floor, Olcander 3 BHK, 138,
   Kalaignar Karunanidhi Salai, East Coast Road,
   Link Road, Sholinganallur, Chennai - 600 119.

2. Nigar Ameen
   W/o Mohammed Ameen Sait,
   Villa No.42, G+ 1 Floor, Olcander 3 BHK, 138,
   Kalaignar Karunanidhi Salai, East Coast Road,
   Link Road, Sholinganallur, Chennai - 600 119

..Respondents in O.S.A.
(CAD).No.87 of 2026

Prayer in all the Appeals: These Original Side Appeals are filed under Section 37(1)(B) of the Arbitration and Conciliation Act and Section 13(1A) of the Commercial Courts Act, 2015 to set aside the impugned common order dated 27.02.2026 passed in Arb.Appln.Nos.679, 676, 670 & 673 of 2025 by this Court.

For Appellant: Mr.P.V.Balasubramanian, Senior Counsel for
Mr.Chandramouli Prabhakar - in all the Appeals

For Respondents: Mr.S.Mahesh Kumar And
M/s.Rohini Ravikumar - in all the Appeals

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Common Judgment

(Judgment of the Court was delivered by P.Velmurugan J.)

The respondents herein filed applications under Section 9 of the Arbitration and Conciliation Act, 1996, (in short "the Act") seeking interim protection by means of issuing proper direction to the appellant herein to safeguard the interest of 64 villa owners, who had paid a sum of Rs.8,37,09,520/- to the respondent for the purpose of utilizing the interest out of the said amount for payment towards various maintenance services. The learned Single Judge, vide common order dated 27.02.2026, directed the appellant to deposit the said amount in any Nationalised Bank to clear the clouds in the whereabouts of the said money. Aggrieved over the said common order dated 27.02.2026, the appellant is before this Court with the present Original Side Appeals.

2 The learned Senior Counsel would submit that the appellant entered into an agreement with the villa owners on 05.12.2019, under which, the villa owners paid Rs.8,37,09,520/- as lump sum Interest Free Refundable Maintenance Deposit (IFRMD). In consideration of the IFRMD, the appellant is obliged to render the facilities management services set out in Annexure B to the said Agreement.

2.1 The Agreement does not require the appellant to hold the IFRMD

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in specie or in any designated bank account, or in any fixed deposit and does not restrict the appellant from deploying the said monies in the ordinary course of its business, so long as the contractual obligations are duly discharged. The learned Single Judge, without considering the above facts erroneously passed the impugned order directing the appellant to deposit the same in any Nationalised Bank, which will alter the contractual clause.

3 According to learned counsel for the respondents, the respondents, being the villa owners, along with other villa owners, paid a huge sum of Rs.8,37,09,520/- towards IFRMD to the appellant and out of the interest from the said IFRMD, the appellant has to provide maintenance services. The appellant after having received the said monies, failed to provide the maintenance service and furthermore did not disclose the whereabouts of the monies. Hence they have filed applications under Section 9 of the Arbitration and Conciliation Act and the learned Single Judge rightly ordered to deposit the entire monies in any Nationalised Bank and the same does not call for any interference of this Court.

4 This Court, while entertaining these Appeals, vide order dated 18.08.2026 granted an order of interim stay and further directed the appellant to file an affidavit disclosing the particulars of the monies paid by the villa owners towards IFRMD.

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5 Accordingly the appellant has filed the affidavit dated 31.08.2026 wherein it has been stated that the IFRMD of Rs.8,37,09,520/- received from the villa owners has been deployed in the ordinary course of the appellant's business by way of Inter-Corporate Deposits (ICDs) placed with (i)M/s.Suraj Inn Private Limited (CIN: U55101KA2008PTC047021 and (ii) M/s.Jasmine Enterprises Private Limited (CIN: U74210KA2004PTC033992) and the appellant is receiving rate of return of 13% per annum under the said ICDs. The appellant, in the affidavit, further stated that neither M/s.Suraj Inn Private Limited nor M/s.Jasmine Enterprises Private Limited is undergoing any proceeding under the Insolvency and Bankruptcy Code, 2016, and no proceeding for winding up or Insolvency is pending against either of them. It is also stated that application under Section 11 of the Act is pending for appointment of Arbitrator to resolve the dispute between the parties.

6 It is seen that the main grievance of the respondents, who filed applications under Section 9 of the Act is that there is cloud over the monies paid by them to the appellant herein towards IFRMD and hence they filed applications under Section 9 of the Act to direct the appellant to furnish the details of the Bank and Branch name, in which the lump sum IFRMD has been deposited by the appellant. The learned Single Judge also observing that the villa owners should not be put to uncertainty and they should have some

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visibility that this amount is secure, directed the appellant to deposit the amount in any Nationalised Bank.

7 Now the affidavit filed by the appellant reveals that the amount is safely parked in the firms stated in the affidavit and the appellant along with the affidavit filed proof for the same. Therefore it is now crystal clear that the appellant has invested the said amount in the two firms namely M/s.Suraj Inn Private Limited nor M/s.Jasmine Enterprises Private Limited and is receiving return @ 13% per annum. Therefore we are satisfied with the affidavit filed by the appellant and inclined to set aside the impugned common order dated 27.02.2026.

8 Accordingly all the Original Side Appeals are allowed and the impugned common order dated 27.02.2026 is hereby set aside. Consequently connected Civil Miscellaneous Petitions stand closed. No costs. However the parties are at liberty to workout their remedy in the pending Section 11 application or before Arbitration Tribunal, if the Section 11 Applications is decided.

(P.V.,J.) (G.K.M.,J.)
15-09-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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