

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-09-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb Appln No. 714 of 2025

1. Cholamandalam Investment
And Finance Co Ltd
Chola Crest, C 54 and 55, Super
B-4, Thiru Vi Ka Industrial
Estate, Guindy, Chennai

Applicant(s)

Vs

1. Zulaikha Motors Private
Limited
GR Complex No.808, Anna Salai,
Nandanam, Chennai 600 035.

2. Thomas Pangaraj William
S/o. Selvaraj
2 Cross Street, Balaji Nagar,
Tambaram, Selaiyur

Respondent(s)

PRAYER

To direct the Respondents to furnish security for the sum of Rs.24,03,186/- within a time fixed by this Court failing which to order attachment of the immovable properties morefully described in the Schedule to the Judges Summons pending initiation and disposal of arbitration proceedings between the Applicant and the



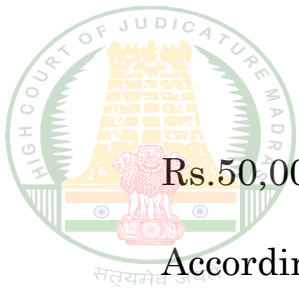
Respondents and till enforcement of the award that may be ultimately passed in the arbitration proceedings and a copy of the attachment order be transmitted through the Principal District, Court, Chengalpattu, Tamil nadu and the attachment order may be hand delivered to the Applicant for transmission.

For Appellant(s): M/s.D.Pradeep Kumar
For C/n-r And R2- Returned
Respondent(s): P/n-aos.D.No. 20846, Dt.
12/06/2025 (R1 And R2-
Returned Cover - Left)
Hence, The Respondents Are
Set Ex-parte By This Court
Dt. 23/07/2025

ORDER

This application has been filed under section 9 of the Arbitration and Conciliation Act, 1996 for a direction to the respondents to furnish security for a sum of Rs.24,03,186/- pending the disposal of the arbitration proceedings and in the absence of the same, to pass an order of attachment.

2. The case of the applicant is that the respondents approached the applicant and sought for financial assistance and accordingly, the 1st respondent entered into an agreement for trade advance dated 31.12.2022 with the applicant with a limit for a sum of

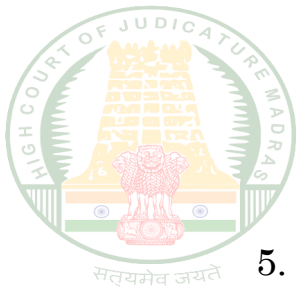


Rs.50,00,000/- and the tenure of the agreement was till 30.11.2024.

Accordingly, a sum of Rs.25,00,000/- was advanced to the 1st respondent. The 2nd respondent executed a deed of guarantee dated 31.12.2022 and stood as a guarantor.

3. The 1st respondent has not converted the entire portion of the amount of Rs.25,00,000/- availed on 27.06.2024 and further failed to repay the amount due and committed default. As on 10.04.2025, the 1st respondent was liable to pay a sum of Rs.24,03,186/-. The tenure of the agreement also was over on 30.11.2024. In spite of repeated requests and demands made by the applicant, the respondents failed to pay the outstanding amount and thereby, became a chronic defaulter.

4. The applicant was taking steps for initiating arbitration proceedings and in the meantime, the applicant apprehended that some security has to be taken from the respondents failing which, they will not be able to recover the money from the respondent. Hence, the present application was filed before this Court seeking for a direction to the respondents to furnish security and in default to attach the schedule mentioned property.



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5. This Court ordered notice and since the same was not able to be served, this Court ordered paper publication on 18.06.2025. Accordingly, the paper publication was effected and this Court passed the following order on 23.07.2025:-

As directed by this Court on 18.06.2025, the applicant has effected substituted service on the respondents by effecting paper publication. The Affidavit of service enclosing the paper publication has been filed. The names of the respondents are also printed in the cause list today. However, the respondents remain unrepresented. Hence, the respondents are set exparte by this Court.

2. This application has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking for a direction to the respondents to furnish security to the extent of the claim amount, i.e., Rs.24,03,186/-, failing which, order attachment of the property, morefully, described in the schedule to the Judges Summons.

3. The respondents are defaulters in the repayment of the loan to the applicant as seen from the documents filed along with this application. The respondents had availed trade advance under an agreement dated 31.12.2022 from the applicant.

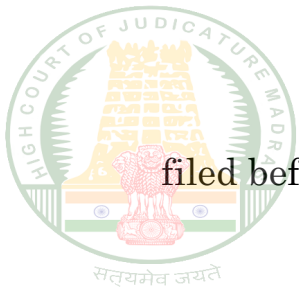


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They have committed default in the repayment of the loan in accordance with the repayment schedule dated 31.12.2022. The statement of account has been filed along with this application, which discloses that a sum of Rs.24,03,186/- is due and payable by the respondents to the applicant under the trade advance agreement dated 31.12.2022.

4. Adequate averments have been made in the affidavit filed in support of this application to direct the respondents to furnish security as prayed for in this application. Accordingly, this Court directs the respondents to furnish security to the extent of the claim amount, i.e., Rs.24,03,186/- as prayed for in this application, within a period of four weeks from the date of receipt of a copy of this order, failing which, consequential order of attachment as prayed for in this application will be passed. The applicant is directed to communicate this order to the respondents to enable them to obey this order. Post the matter for reporting compliance on 20.08.2025.

6. In spite of the above order passed by this Court, the security was not furnished. Hence, this Court before passing the order of attachment was inclined to once again order notice to the respondents through paper publication on 20.08.2025. Accordingly, once again paper publication was effected and affidavit of service was



filed before this Court.

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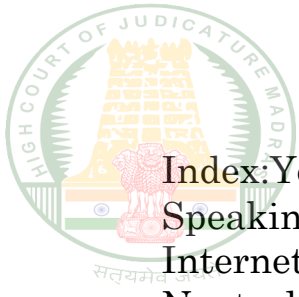
7. Till date, the respondents have not chosen to appear either in person or through counsel and *prima facie* this shows the attitude of the respondents in this case.

8. The respondents have not furnished any security as was directed by this Court by an earlier order dated 23.07.2025. It is also brought to the notice of this Court that the arbitration proceedings were initiated and an award also came to be passed on 15.09.2025. In view of the same, there shall be an order of attachment of the schedule mentioned property and the attachment order shall be delivered to the applicant for taking steps to make the necessary entry in the encumbrance certificate before the concerned Sub Registrar office.

9. This application is disposed of in the above terms. No costs.

24-09-2025

rka



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Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

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To

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Limited

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N.ANAND VENKATESH J.
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