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Arb.Appln.No.1095 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.10.2025

CORAM:

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Application No.1095 of 2025

Tricolour Financial Services Private Limited
Having its registered office at
105, Ranga Vilas, New Dhamu Nagar,
Coimbatore 641037, Tamil Nadu
Represented by its Authorised Signatory
Mr.V.S.Narayanan

... Applicant

Vs.

Varun Jothi Tex
Rep.by its Proprietor Mr.R.Mohanraj,
2nd Floor, Old No.40-A/1,
New No.87, Kamarajar Salai, Madurai,
Tamil Nadu 625 009.

Also at Mr.R.Mohanraj,
S/o.Ramar S (Proprietor of M/s.Varun Jothi Tex)
4/329, Classic Avenue, Iravadhanallur,
Viraganur, Madurai, Tamil Nadu 625 009
and Also at 13F, Ismailpuram, 12th Street,
Madurai South, Munichalal Road,
Madurai, Tamil Nadu 625 009.

...Respondent



Prayer:

Arbitration Application filed under Order XIV Rule 8 of O.S. Rules read with Section 9(ii)(d) & (e) of the Arbitration Act, 1996, to pass an order directing the Respondent to furnish security to the tune of Rs.11,51,038/- failing which order attachment as 2nd charge holder of the property morefully described in the schedule hereunder.

For Applicant : Mr.M.Arunachalam

ORDER

This application has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 for a direction to the respondent to furnish security to the tune of Rs.11,51,038/-, failing which, there will be an order of attachment of the schedule property.

2. The petitioner had extended financial facilities to the respondent to the tune of Rs.12 Lakhs. As per the Facility Agreement dated 22.06.2022, the respondent had to repay the loan amount in 24 monthly installments commencing from 05.08.2022 to 05.07.2024. The respondent defaulted in repayment and loan recall notice was issued on 25.07.2025 to the respondent calling upon him to repay the entire outstanding amount of Rs.11,51,038/-.



Since there was no response, the present application has been filed before this Court on the ground that except the schedule property, there is no other property available for the applicant as security.

3. This Court ordered notice to the respondent and affidavit of service has been filed and it is seen that the respondent has been served, name of the respondent is also printed in the cause list but there is no representation either in person or through counsel.

4. Taking into consideration the facts and circumstances of the case and considering the fact that the schedule property is already under mortgage with another financing company and the financial wherewithal of the respondent is clearly questionable and since the respondent has not chosen to appear before this Court and contest this application, this Court is inclined to direct the attachment of the property as second charge in favour of the applicant.

5. This Application is disposed of in the above terms. The instant



order shall be communicated to the concerned Sub-Registrar's office for
making necessary entries in the Encumbrance Register.

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Index: Yes/No
Speaking Order/Non-Speaking Order
Neutral Citation Case : Yes/No



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N.ANAND VENKATESH, J.

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