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Arb Appln No. 1331 of 20
and
Arb OP(Com.Div.)No.501 of
2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-10-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb Appln No. 1331 of 2025

AND

Arb O.P(Com.Div.) No. 501 of 2025

TVS Credit Services Limited
Having its registered office at
“Chaitanya”, No.12, Khader Nawaz
Khan Road, Nungambakkam
Chennai 600 006 and corporate office at
Jayalakshmi Estates
No.29, Haddows Road,
Nungambakkam, Chennai 600 006
rep.by its Authorised Signatory
Ms.Monisha J

Applicant/Petitioner

Vs

1. M/s S.J.P Transports
Rep.by its Managing Partner/
Authorised Signatory Mr.P.Parthiban
6/291, Trichy Road, Namakkal
Tamil Nadu 637 001
Also at:
3/23, Thillaipuram, 3rd Cross,



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4th Sub Cross, Namakkal,
Tamil Nadu 637 001

2. Mr.P Parthiban
S/o. Mr.Perumal,
3/23, Thillaipuram, 3rd Cross,
4th Sub Cross, Namakkal,
Tamil Nadu 637 001

3. Mrs.P Jeyanthi
W/o.Mr. P.Parthiban
3/23, Thillaipuram, 3rd Cross,
4th Sub Cross, Namakkal,
Tamil Nadu 637 001

4. Mr.P.Ajay Gowtham
S/o. Mr.P.Parthiban
3/23, Thillaipuram, 3rd Cross,
4th Sub Cross, Namakkal,
Tamil Nadu 637 001

Respondents/Respondents

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PRAYER

To pass an order directing the Respondents to furnish security to the tune of Rs.67,53,182/- failing which order attachment as 2nd charge holder of the property morefully described in the schedule to the Judges Summons.

Arb O.P(Com.Div.) No. 501 of 2025

PRAYER

To appoint a Sole Arbitrator to adjudicate upon the differences and disputes between the parties under the Invoice based Financing Facility Agreement dated



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23.09.2022 and its subsequent renewal dated 16.11.2023.

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For Applicant/ Mr.M.Arunachalam
Petitioner:

For Respondents: No appearance

COMMON ORDER

1.1. Arbitration Application No.1331 of 2025 has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 for a direction to the respondents to furnish security to the tune of Rs.67,53,182/- and on failure to do so, to order attachment of the property, morefully described in the schedule to the Judges summons, as second charge.

1.2. Arb O.P.(Com.Div.)No.501 of 2025 has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 for appointment of a sole Arbitrator to adjudicate upon the differences and disputes that have arisen between the parties under the Invoice Based Financing Facility Agreement dated 23.09.2022 and the subsequent renewal dated 16.11.2023.

2. When the Arb O.P.(Com.Div.)No.501 of 2025 came up for hearing on 25.08.2025, this Court passed the following order:-



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“This petition has been filed under Section 11 of the Arbitration and Conciliation Act, seeking for the appointment of an arbitrator by this Court.

2. There seems to be a dispute between the petitioner and the respondents, arising out of the Invoice based Financing Facility Agreement dated 23.09.2022. There exists an arbitration clause in the Invoice based Financing Facility agreement dated 23.09.2022 and the same is reproduced hereunder:

“30. Arbitration

All disputes, differences and/or claims arising out of this Agreement whether during its subsistence or thereafter shall be settled by Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and shall be referred to the sole arbitration of an arbitrator nominated by the Lender. The award given by such an arbitrator shall be final and binding on the parties to this Agreement. In the event of an appointed arbitrator dying or being unable or unwilling to act as arbitrator for any reason, the Lender, on such death of the arbitrator or his inability or unwillingness to act as arbitrator, shall appoint another person to act as arbitrator. Such person shall be entitled to proceed with the reference from the stage it is left by his predecessor. The venue of arbitration proceedings shall be at Chennai. The Borrower agrees to a fast track arbitration to be disposed of within 90 days from the date of reference.”



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3. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 05.05.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. The respondents have not sent any reply to the arbitration invocation notice dated 29.04.2025.

4. Since there exists an arbitration clause in the contract, which is the subject matter of the dispute between the parties and since the petitioner has invoked arbitration in accordance with the arbitration clause by complying with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996 and since there is no consensus between the parties with regard to the name of the arbitrator, this Court is issuing notice to the respondents, returnable by 22.09.2025. Private notice is also permitted.

5. Post the matter on 22.09.2025.”

3. Subsequently, Arbitration Application No.1331 of 2025 came up for hearing before this Court on 26.09.2025 and this Court ordered notice and private notice to the respondents.

4. Notice has been served on the respondents and the names of the respondents have also been printed in the cause list, insofar as the application is concerned. In the original petition, counsel has filed Vakalat on behalf of the respondents, but the Vakalat has been returned by the Registry. Hence, service



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is complete on the respondents in both the application and the petition.

5. Heard the learned counsel appearing on behalf of the applicant/petitioner and perused the materials available on record.

6. The applicant/petitioner had sanctioned an invoice based finance/supply chain finance facility for a limit of Rs.90 lakhs through sanction letter dated 22.09.2022 to the respondents. The respondents had agreed to repay the loan facility together with interest. This invoice based finance facility was also renewed through a sanction letter dated 16.11.2023, wherein the respondents agreed to repay the loan facility together with interest at the rate of 14.50% p.a in 12 months with maximum 90 days usance period from the date of draw down.

7. The respondents failed to fulfill their obligation and committed default. Hence the applicant/petitioner issued the loan recall notice dated 22.04.2025 calling upon the respondents to pay the entire outstanding amount of Rs.69,71,563/-. After receipt of the notice, some payments were made on the side of the respondents. However, the default continued and as on 15.09.2025, a sum of Rs.67,53,182/- is due and payable by the respondents in the loan account.



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8. The applicant found that the financial wherewithal of the respondents was dwindling and hence, for the purpose of security, the applicant has approached this Court for a direction to the respondents to furnish security and in the absence of the same, to create a second charge over the property morefully described in the schedule to the Judges summons. The petitioner has also moved the original petition seeking for appointment of Arbitrator pursuant to the trigger notice issued on 05.05.2025.

9. The respondents have not chosen to either enter appearance or to contest the application/petition on their own. Considering this attitude on the part of the respondents, this Court deems it fit to create some security in favour of the applicant and hence the property morefully described in the schedule to the Judges summons is hereby attached and the second charge is created over the property. This order shall be acted upon by the Sub Registrar concerned and necessary entry shall be made in the encumbrance certificate.

10. This Court finds that there is a valid agreement between the parties as contemplated under Section 7 of the Arbitration and Conciliation Act and there is also a valid arbitration clause. Therefore, this Court is inclined to appoint a sole Arbitrator to resolve the disputes that have arisen between the parties. Accordingly, Mrs.Chitra Sampath, Senior Advocate, having address for service



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at No.14/1, Kamatchipuram, 1st Street, West Mambalam, Chennai 600 033

(Phone: 99620 85956) is appointed as the sole Arbitrator and the learned Arbitrator is requested to enter upon reference qua the Invoice Based Financing Facility Agreement dated 23.09.2022 and the subsequent renewal dated 16.11.2023, adjudicate the disputes that have arisen between the parties by holding the sittings in any venue in Chennai to the convenience of all concerned and render an award. Fees of the sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC)(Administrative Cost and Arbitrator's Fees) Rules 2017.

11. Both the arbitration application and the original petition are disposed of in the above terms. No order as to costs.

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Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

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1. Mrs.Chitra Sampath

Senior Advocate

No.14/1, Kamatchipuram

1st Street, West Mambalam

Chennai 600 033

(Mobile No: 99620 85956)

2. The Director

Tamil Nadu Mediation and Conciliation

Centre-cum-Ex-Officio Member

Madras High Court Arbitration Centre

Chennai 600 104



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VENKATESH J.

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