



Arbitration Application No.1425 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01.12.2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arbitration Application No.1425 of 2025

Tricolour Financial Services Private Limited,

Having its registered office at:

105, Ranga Vilas, New Dhamu Nagar,

Coimbatore 641 037, Tamil Nadu.

Represented by its Authorised Signatory

Mr.V.S.Narayanan

Applicant

Vs

1.Hi-Esteem Auto Komponenten Private Limited

Rep.by its Directors - Mr.Nitharshan Janakiraman

& Mrs.Revathy Janakiraman,

Opposite Lathangi Apartment,

Survey No.88/1 & 88/2, Mettupalayam High Road,

Sriperumbudur Taluk Panrutti, Kancheepuram, 631 604.

Also at No.3, 2nd Street, Boopathy Nagar, Keelkattalai,

Chennai 600 117.



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2.Nitharshan Janakiraman
S/o.Janakiraman

3.Revathy Janakiraman
D/o.Vuppuluri Sivanadan

Respondents

Application filed under Order XIV Rule 8 of Original Side Rules read with Section 9(ii)(d)&(e) of the Arbitration and Conciliation Act, 1996, to pass an order directing the respondents to furnish security to the tune of Rs.78,02,530/- failing which order of attachment of the properties 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 [for brevity 'the Act'] for a direction to respondents to furnish security for a sum of Rs.78,02,530/- failing which to order



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attachment of property morefully described in the Judges summons.

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2. The case of the applicant is that respondents 2 and 3, who are directors of the first respondent company, approached the applicant for availing business loan facility to meet their working capital requirement. The applicant sanctioned business loan to the tune of Rs.50,00,000/- vide sanction letter dated 26.07.2023. A facility agreement dated 26.07.2023 was entered into between the parties. The respondents agreed to repay the loan with interest in 36 monthly installments commencing from 20.09.2023 and ending with 20.08.2026.

3. The specific case of the applicant is that respondents paid one installment and as of August'2025 about 23 installments were due and payable by respondents.



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4. Left with no other option, the loan recall notice dated 07.08.2025 was issued to the respondents calling upon them to pay the entire outstanding amount of Rs.78,02,530/- within seven days from the date of notice. The notice sent to respondents was returned unserved.

5. The agreement provided for referring the dispute to the Sole Arbitrator under Clause 11(m) of the facility agreement and the trigger notice was issued on 29.10.2025. It is under these circumstances, the present application came to be filed before this Court.

6. Private notice sent to respondents have been returned. Insofar as respondents 2 and 3 are concerned, it has been returned with an endorsement 'refused'. Hence, there is a deemed service of notice on respondents 2 and 3.



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Insofar as the notice sent to first respondent is concerned, it has been returned with an endorsement 'left'. The first respondent is a company and the respondents 2 and 3 are the Directors of the company and hence, service that has been effected on respondents 2 and 3 is deemed to be served on first respondent company also. The names of respondents have also been printed in the cause list, however, there is no representation either through person or through pleader.

7. Heard learned counsel for applicant and carefully perused the materials available on record.

8. Taking into consideration the facts and circumstances of the case and considering the fact that a total sum of Rs.78,02,530/- is due and payable by respondents as on 29.07.2025 and the applicant requires some security for the purpose of recovering this amount and considering the



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attitude of the respondents in not even contesting the case, this Court is inclined to attach the property morefully described in the schedule to the Judges summons pending disposal of the arbitral proceedings. The order shall be duly communicated to the concerned Sub-Registrar office for making necessary entry in the revenue records.

This application is disposed of with the above direction.

01.12.2025

Index:yes/no

NCC:yes/no

Speaking Order/Non-speaking order
gm



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N. ANAND VENKATESH., J

gm

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