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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04-11-2026

CORAM

THE HON'BLE MR.JUSTICE P.B. BALAJI

A No. 5720 of 2023
AND
C.S(COMM DIV) NO. 260 OF 2023 &A NO. 5136 OF 2024

M/s.Sreeram Exports
rep.by its Partner Mahaveer Mehta, No.12,
Ramasamy Street, Ground Floor, T.Nagar, Chennai
600 017.

..Applicant(s)

Vs

Chandrahas Heroor
Sole Proprietor of M/s.Amarjyothi Exports,
Boomika Nilaya, Vidya Giri, Hunkund Taluk,
ILKAL, Karnataka 587 125.

..Respondent(s)

PRAYER in A.No.5720 of 2023: This Application is filed under ORDER XXXVIII, Rule 5 of the Code of Civil Procedure, to direct the Respondent to furnish security for the amount equivalent to the suit claim Rs.2,05,45,287/- in the above suit.

For Applicant(s): Mr.Kumarpal R Chopra and Mr.Pranav Jain

For Respondent(s): Mr.Vijayan Subramanian

ORDER

Heard Mr.Kumarpal R.Chopra, learned counsel for the Applicant and Mr.Vijayan Subramanian, learned counsel for the respondent/defendant.

2. The Application has been taken out under ORDER XXXVIII, Rule 5 of the Code of Civil Procedure, for direction to the respondent/defendant to

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furnish security for the amount equivalent to the suit claim viz., Rs.2,05,45,287/-. In fact, this Court had granted an exparte order directing the respondent to furnish security. However, at the instance of the respondent/defendant, the said exparte order was recalled and thereafter, the application was directed to be heard on merits. The respondent has also filed a counter. The learned counsel for the applicant has taken me through the said counter affidavit, where there is a categorical admission insofar as a sum Rs.70,00,000/- and dispute is only with regard to the remaining amounts. The learned counsel further states that the applicant has in fact, parted with huge amounts in advance for purchase of materials from the respondent, *de hors* Rs.70,00,000/- which is admitted, there is yet another amount of Rs.46,80,000/- which is also paid as advance prior to October 2019, which conveniently, the respondent/defendant is now disputing/denying liability in respect of the same. The learned counsel would also state that insofar as the total amount payable towards the principal, it is Rs.1,16,80,000/- and after calculation of interest at the rate of 24% per annum, from October, 2019, the total amount due and payable by the respondent/defendant comes to Rs.2,05,45,287/-, as on the date of the filing of the suit.

3. The learned counsel for the respondent would state that the respondent is willing to furnish security for the sum of Rs.70,00,000/-, viz., the amount that has been admitted. Having admitted to the liability to the tune of Rs.70,00,000/-, the respondent cannot escape liability to pay interest atleast on

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the said Rs.70,00,000/-. Even insofar as the remaining amount, the learned counsel for the Applicant has taken me through the typed set of papers, where there is exchange of whatsapp messages between the parties and I find there is a clear admission of receipt of Rs.46,80,000/- as well, which conveniently the respondent/defendant now proceeds to deny.

4. Mr.Vijayan Subramanian, learned counsel would further submit that the suit claim comprises of claim for interest which is calculated at an exorbitant interest rate of 24% per annum. However, the learned counsel for the applicant, invited my attention to the invoices raised by the respondent/defendant, where the respondent/defendant is claiming interest at 24% per annum. However, learned counsel for the applicant would fairly state that there is no interest agreed to be paid insofar as the suit transaction. Be that as it may, the respondent, having admitted huge liability of atleast Rs.70,00,000/-, cannot now contend that he is not liable to repay the amount together with any interest.

5. I find that the applicant/defendant has made out a prima facie case and the respondent/defendant is trying to move away from the jurisdiction of the Hon'ble Court, by denying the liability despite having admitted to the same in the earlier communication exchanged between the parties. In view thereof, the applicant/plaintiff has made out a case for grant of an order directing the respondent/plaintiff to furnish a security.

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P.B.BALAJI J.

6. In the light of the above and there being no contract for payment of interest and considering that the applicant has claimed interest 24% per annum, I am inclined to direct the respondent/defendant to furnish security to the tune of Rs.1,50,00,000/- within a period of six (6) weeks from the date of the receipt of the copy of the order.

7. The learned counsel for the respondent Mr.Vijayan Subramanian, would submit that the respondent is willing to settle the matter once and for all and requested the matter to be referred to the Tamil Nadu Mediation and Conciliation Centre. Making it clear that the order directing furnish security will not be whittled down in any manner, the parties are referred to the Mediation and Conciliation Centre. Under the guise of the mediation, the respondent cannot escape the consequences of not furnishing security, in compliance with this order. The parties shall appear before the Mediation and Conciliation Centre attached to this Court, on **12.11.2026,** without fail. The learned counsel shall intimate the parties about the hearing date and no formal notice need be sent to the parties from the Mediation Centre.

04-11-2026

RKP

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