

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
ARBITRATION PETITION NO. 106 OF 2015

TATA Capital Financial Services Ltd

.....Petitioner

Versus

VAIBHAV CARDS PRIVATE LIMITED & ANOTHER

.....Respondents

Mr. Nikhil Mehta i/b. KMC Legal Venture for the Petitioner.

None for Respondents.

CORAM: S.J. KATHAWALLA, J.

DATED: 11th March 2015

PC:

1. The above Petition is filed by the Petitioner under section 9 of the Arbitration and Conciliation Act, 1996 seeking reliefs as prayed against the Respondents. The Petition, is served on the Respondents and an Affidavit proving service is on record. The Petition is taken up for final hearing. However, none appear for the Respondents.
2. By a Loan Agreement dated 3rd February 2013 (said Agreement), the Petitioner provided a loan of Rs.10,00,000/- (Rupees Ten Lacs Only) to the Respondents for expansion of their business. Under the said Agreement, the Respondent No.1 is the Borrower of the said Loan while the Respondent No.2 is the Co-Borrower.
3. The Loan amount of Rs.10,00,000/- (Rupees Ten Lacs Only) was repayable by the Respondents to the Petitioner with interest @ 21.00% repayable in 24 equal installments of Rs 51,386/- each.
4. Clause 5 of the Loan Agreement provides for the events of default; Clause 6 for the rights and remedies available to the Petitioner. Clause 11 provides for Arbitration. There has been a default on the part of the Respondents and the Respondents failed to pay to the Petitioner a sum of Rs.6,68,471/- (Rupees Six Lacs Sixty Eight Thousand Four Hundred and Seventy one Only) as on 28.06.2014. The events of default having taken place in terms of the Loan Agreement, the Petitioner became entitled to recall and have

recalled the entire loan. There was no reply to the Loan Recall Notice dated 10th February 2014. The Petitioner therefore invoked the arbitration clause in the Loan Agreement dated 3rd February 2013.

5. In the present Petition, the Petitioner has inter alia sought an order of injunction against the Respondents from disposing off their properties described in Exhibits D and D1 to the Petition and directions to the Respondents to file a detailed affidavit disclosing their assets on oath and restraining them from selling, transferring etc, the assets disclosed by them in compliance with the directions given to them by this Court. The Respondents have not filed their Affidavit in Reply and are also not present before the Court. In absence of any defence or contest by the Respondents, the averments contained in the Petition have remained uncontroverted. I see no reason why the statements/ submissions made by the Petitioner in the Petition should not be accepted. As the Respondents have defaulted in the repayment of the outstanding dues, it is just and necessary to safeguard the interest of the Petitioner by making the Petition absolute in terms of prayer clauses (b) and (d). The claim of the Petitioner is over Rs.6.68 lakhs and unless adequately protected, the Petitioner may suffer irreparable harm and injury. Balance of convenience also warrants the grant of relief. Section 9 empowers the Court to pass an interim measure of protection.

Hence, the following order is passed:

- (i) The Petition is made absolute in terms of prayer clauses (b) and (d) which are reproduced hereunder:

“(b) The Respondents by themselves , their servants and/or agents be restrained by an order and injunction of this Hon’ble Court from selling, alienating , disposing and/or creating any third party rights in respect of their properties listed in Exhibit D and D1 hereto accordingly.

(d) The Respondents be ordered to file a detailed Affidavit disclosing all their assets on oath so as to cover the legitimate claim

of the Petitioner in respect of the aforesaid Loan Agreement and the Respondents by themselves, their servants and/or agents be restrained by an order and injunction of this Hon'ble Court from selling, transferring, creating any charge or interest or dealing with their said assets mentioned in their said Affidavit on oath in any manner whatsoever”;

- (ii) The Affidavit of disclosure of assets be made by the Respondents within a period of two weeks from the date of communication of this order to the Respondents.
6. The Arbitration Petition is accordingly disposed of.

(S.J. KATHAWALLA, J.)