

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
ARBITRATION PETITION (L) NO.82 OF 2016

Prathamesh Udyog And 2 Ors. ...Petitioners

V/s.

Reliance Capital Limited ...Respondent

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Mr. Prashant Phophale, i/b. PMH Law, for the Petitioners.

Mr. Padmakar Garad, i/b. S.. Legal & Associates, for the Respondent.

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CORAM : S.C. GUPTE, J.

20 JANUARY, 2016

P.C. :

. The Arbitration petition, under Section 37 of the Arbitration and Conciliation Act, 1996 impugns an interim order passed by a sole Arbitrator. By this order, the Arbitrator has asked the Petitioners to deposit a sum of Rs.15 lacs, in default of which, the Respondent has been permitted to repossess the machinery bought by the Petitioners under a finance agreement with the Respondent. The grievance of the Petitioners is that the entire order is passed without notice to the Petitioners and even without serving the statement of claim and interim application on the Petitioners. Learned Counsel for the Respondent submits that the Petitioners were served. Anyway, considering the fact that there are at least ten unpaid installments towards repayment of the finance and the Petitioners' readiness to pay those installments to the Respondent, if some time is given to them, the petition can be disposed of by directing the Petitioners to pay a sum of Rs. 2 lacs within a period of two weeks from today and a further

sum of Rs. 2 lacs within a period of six weeks thereafter and pay the balance amount of the installments due upto date within a period of eight weeks thereafter. It is ordered accordingly. The Petitioners shall not create any third party rights in respect of the hypothecated equipment during the pendency of the reference. This order shall substitute the interim order passed by the Arbitrator. The Arbitrator shall now dispose of the arbitration reference after giving an opportunity to the Petitioners to submit their reply. The present challenge of the Petitioners to the impugned order is inter alia also on the footing that the Arbitrator lacks jurisdiction to adjudicate upon the disputes and differences between the parties. It is clarified that the submissions of all the parties in this behalf are kept open.

(S.C.GUPTE, J.)