

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
ARBITRATION PETITION NO.1481 OF 2015

Tata Capital Financial Services Ltd. ... Petitioner

Versus

Vedant International Garments Manufacturing Ltd. & Ors. ... Respondents

Mr. Manish Gala i/b. Law Square for the Petitioner.

None for Respondents.

CORAM : S.J. KATHAWALLA, J.

DATED : 21st April, 2016

P.C.:

1. The 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 has been placed on record. However, none appear for the Respondents. The Petition is today taken up for final hearing.

2. It is submitted on behalf of the Petitioner that by a Loan Agreement dated 28.11.2013 bearing account no. 3765740 ("said Agreement") executed between the Petitioner as the Lender, the Respondent No.1 as the Borrower and Respondent No.2 & 3 as the Co-Borrowers, the Petitioner granted a loan of Rs.35,00,000/- (Rupees Thirty Five Lakhs Only) to the Respondents for expansion of their business.

3. It is submitted that as per the said Agreement, the aforesaid Loan amount was repayable by the Respondents to the Petitioner with interest @ 18.25% p.a.

4. It is further submitted that the Respondents have defaulted in repayment of the said loan and thus the Petitioner through its Advocates issued a Notice dated 12.6.2015, recalled the entire loan as per the terms of the said Agreement. Also, it is submitted that vide the Notice dated 12.6.2015, the Petitioner invoked the arbitration clause in the said Agreement.

5. It is also submitted that as on 18.6.2015 a sum of Rs.25,98,861/- (Rupees Twenty Five Lakhs Ninety Eight Thousand Eight Hundred Sixty One Only) is outstanding and payable by the Respondents to the Petitioner with further interest @ of 36% p.a. till payment and/or realization as per the Particulars of Claim annexed and marked as "Exhibit C" to the Petition.

6. In the present Petition, the Petitioner is interalia seeking an injunction against the Respondents from creating any third party rights in respect of the properties described in Exhibit D to the Petition, directions to the Respondents to disclose on oath the details of their personal moveable and immoveable unencumbered and encumbered assets/ properties and to furnish solvent security to this Court.

7. The Respondents have not filed their Affidavit in Reply and are also not present before the Court. In absence of any defense or contest by the Respondents, the averments contained in the Petition have remained uncontroverted. I see no

reasons why the submissions made on behalf of the Petitioner in the Petition should not be accepted.

8. 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. The events of default having taken place in terms of the said Agreement, the Petitioner became entitled to recall and thus by Notice dated 12.6.2015, recalled the entire loan and also invoked the Arbitration clause in the said Agreement. There is no reply to the Notice dated 12.6.2015

9. As the Respondents have defaulted in the repayment of the outstanding dues, it is just and necessary to safeguard the interest of the Petitioner. The claim of the Petitioner is over Rs.25.98 Lakhs and unless adequately protected, the Petitioner may suffer irreparable harm and injury. Balance of convenience also warrants grant of reliefs.

10. Hence, I pass the following order;

(i) The Respondents, their agent/s, and/or any person/s claiming through or under them are restrained by an order of injunction from in any manner selling, transferring, disposing of, and/or alienating, encumbering or parting with possession or creating any third party rights in respect of the properties described in "Exhibit D".

(ii) The Respondents to file an Affidavit of Disclosure of Assets before this Hon'ble

Court within a period of four weeks from the date of communication of this order to the Respondents by themselves, their servants and agents are restrained by an order of injunction from selling, transferring, creating any charge or interest or dealing with their said assets mentioned in their said Affidavit.

- (iii) A copy of this order shall be forthwith served on the Respondents by hand delivery and also by Speed Post A.D.
- (iv) The Arbitration Petition is disposed off accordingly.

(S.J. KATHAWALLA, J.)