

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated :14.11.2016

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THE HONOURABLE MR. JUSTICE RAJIV SHAKDHER

Application No.3299 of 2016

M/s. Mahaveer Finance India Limited
Registered Office: K.G.Plaza,
T8/T9, No.41/44, General Patters Road
III Floor, Chennai 600 002
Represented by its Manager
Mr.S.N.Varadharajan

.. Applicant

Vs

1. Mr. S.Malmarugan
2. Mr. R.Lingeswaran

.. Respondents

Application filed under Order XIV Rule 8 of O.S.Rules read
with Section 9 (ii) (a) (b) (c) & (e) of the Arbitration and
Conciliation Act, 1996.

For Applicant : Ms. R.Divya Priya

For Respondents : No Appearance

ORDER

This application is filed under Section 9 of the Arbitration and
Conciliation Act 1996 seeking a direction qua the respondents to
furnish security for a sum of Rs.11,26,525/- failing which, to order
attachment of the property morefully described in the judges
summons.

2. The Registry has reported that order dated 12.09.2016, was communicated to the respondents.

2.1. Despite service, today, there is no representation on behalf of the respondents.

3. The record shows that on 20.10.2016, Ms.S.Ezhilarasi, Advocate, appeared for the respondents. Two (2) weeks time was granted to file a counter affidavit. However, no counter affidavit has been filed.

3.1. Accordingly, there is no traverse to the averments made in the application.

3.2. Furthermore, there is no compliance of the directions contained in the order dated 12.09.2016, which requires the respondent to furnish security for the sum of Rs.11,26,525/-.

4. On merits, the applicant avers as follows:

The respondents have availed loan in the sum of Rs.10,05,000/- under the Loan Agreement cum Hypothecation agreement dated 20.03.2014, qua the purchase of the vehicle described as Innova Car 2014. The said amount was to be paid in 35 monthly instalments. The first instalment was to commence

from 20.03.2014, while the last instalment was payable on 20.01.2017. The applicant submits that under the aforementioned Loan Agreement, the respondents have undertaken to repay the total loan amount of Rs. 13,75,000/-.

5. Learned counsel for the applicant says that the respondents have not adhered to the obligations undertaken under the aforementioned loan agreement. It is the case of the applicant that the respondents are liable to pay a total sum of Rs.11,26,525/- as on 02.07.2016.

6. Learned counsel for the applicant further states that arbitration proceedings have been initiated and the same are pending adjudication.

7. It is clear that the respondents are moving towards a situation where the award shall become a paper decree, if and when obtained. In this circumstance, there shall be an order of attachment qua the property described in the judges summons to the extent of the claimed amount, i.e., Rs.11,26,525/-. For the sake of convenience, the particulars of the said property are noted hereunder below:

All that piece and parcel of land and building bearing premises Door No.3, Old No.7/9, Swami Thiru Neelakanda Nayanar Street, First Lane,(Previously Padavattamman Koil Street Second Lane), V.O.C.Nagar, Kondithope, Chennai – 600 079, and land measuring to an extent of 556 sq.ft. as per Patta 715 sq.ft., comprised an Old S.No.6014, R.S.No.48/1, Block No.1, Collector Certificate No.142 of George Town, Fort- Tondiarpet Taluk, Chennai District and bounded on the

North by : New S.No.39 and 40;

South by : New S.No.51 and Road

East by : New S.No.38/1 and 48/2

West by : New S.No.46

and situated within the Sub Registration of Sowcarpet and registration of Chennai North

8. Since the arbitration proceedings have been initiated and the same are pending, the parties are given liberty to take necessary steps hereafter, albeit, in accordance with law, as may be deemed fit.

9. Accordingly, this application is disposed of in the aforesaid terms.

14.11.2016

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RAJIV SHAKDHER, J.

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<http://www.judis.nic.in>